FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

Central Eurasia

FBIS-SOV-95-203
Friday
20 October 1995

Daily Report
Central Eurasia

FBIS-SOV-95-203 CONTENTS *20 October 1995*

NOTICE: An * indicates material not previously disseminated in electronic form.

DUMA ELECTION ISSUES

Key Developments

CEC Registers 104 Independent Candidates *[INTERFAX]* ... 1
Zyuganov Speaks to Businessman at U.S. Chamber of Commerce *[KOMMERSANT-DAILY 19 Oct]* ... 1
PRAVDA ROSSII Publishes Appeals From Communist Party ... 1
  CPRF Calls For Support From Women *[19 Oct]* ... 1
  CPRF Urges Funding, 'Active Support' *[19 Oct]* ... 2
Agrarians Reject Shakhray's Land Referendum Proposal *[SELSKAYA ZHIZN 19 Oct]* ... 2
Admiral Baltin Denies Instructions From 'Top' *[INTERFAX]* ... 3
Daily Questions Purpose of Skokov's Trip to Beijing *[TRUD 19 Oct]* ... 3
Trade Unions Plan To Establish Political Organization *[INTERFAX]* ... 4

Regional Activities

Ryzhkov Visits Yekaterinburg on Election Campaign *[ITAR-TASS]* ... 4
Irkutsk Oblast Electoral Commission Outlines Procedures *[VOSTOCHNO-SIBIRSKAYA PRAVDA 10 Oct]* ... 5

Forecasts & Commentary

PRAVDA Interviews Govorukhin on Election Bloc Prospects *[19 Oct]* ... 7
Economic Improvement Seen Unlikely To Sway Voters *[IZVESTIYA 19 Oct]* ... 9
Voters Seek 'Russianness,' 'Creativeness' in Leaders *[SOVETSKAYA ROSSIYA 19 Oct]* ... 10

INTERREGIONAL AFFAIRS

ITAR-TASS Carries Press Review for 20 Oct *[ITAR-TASS]* ... 13

RUSSIA INTERNATIONAL AFFAIRS

Yeltsin: Kozyrev Could Be Helped by Deputy Minister *[Moscow ORT]* ... 14
  Kokoshin Seen Among Possible Replacements *[KOMSOMOLSKAYA PRAVDA 19 Oct]* ... 14
Karasin Discloses Yeltsin's Schedule in France *[ITAR-TASS]* ... 15
'Serious Talks' Planned for Yeltsin's UN Trip *[ROSSIYSKIYE VESTI 20 Oct]* ... 15
Russia Will Not Participate in NATO Bosnia Force *[ITAR-TASS]* ... 16
Russia Agrees One Commander in Bosnia, Not NATO *[ITAR-TASS]* ... 16
FRY, Croatian, Bosnian Leaders Not Meeting in Moscow *[INTERFAX]* ... 17
Ivanov, Stoltenberg Meet Croatian President in Zagreb *[ITAR-TASS]* ... 17
General Zhurbenko Interviewed on Return From Bosnia *[MOSKOVSKAYA PRAVDA 18 Oct]* ... 18
Moscow Files Requests for Fuel Supply to URY *[ITAR-TASS]* ... 19
Zhirinovskiy: Early End to Balkans 'Bloodbath' *[ITAR-TASS]* ... 20
Zhirinovskiy To Visit 'Aryans of Asia' in China *[ITAR-TASS]* ... 20
Party Leader Skokov's Visit to China Not 'Secret' *[INTERFAX]* ... 20
U.S. Computer Export Controls Seen As Discriminatory *[ITAR-TASS]* ... 21
Peacekeeper Regiment Departs for Exercises in U.S. *[Radio Rossii]* ... 21

Customs Seizes Kazakh Weapons Bound for North Korea *[ITAR-TASS]* 21
Karasin: Russia Alarmed by Palestinian Deportations *[INTERFAX]* 21
Karasin: Turks Cooperated With Russia Over Albeli-1 *[INTERFAX]* 22
Karasin Views OSCE Efforts on Nagorno-Karabakh *[INTERFAX]* 22
Azeri Oil Offer to 'Drive Wedge' Between Russia, Iran *[ROSSIYSKAYA GAZETA 19 Oct]* 23
Border Accord With China Ratified in Beijing *[ITAR-TASS]* 23
Further on Tokyo Daily's Claim of Sunken Submarine *[IZVESTIYA 19 Oct]* 24
Moldovan President Cited on NATO Eastward Expansion *[ITAR-TASS]* 24
Estonian Ambassador Views Bilateral Relations *[BNS]* 25
Foreign Intelligence Service Chief Visits Bulgaria *[ITAR-TASS]* 25
Israeli Deputy Minister Meets Kozyrev, Posuvalyuk *[Tel Aviv DAVAR 19 Oct]* 25
Norwegian Ecologists Said To Possess Fleet Secrets *[IZVESTIYA 20 Oct]* 26
Cuban Powerplant Needs International Financing *[ITAR-TASS]* 26

RUSSIA NATIONAL AFFAIRS

Political Issues

RTV Carries 19 Oct Yeltsin News Conference *[Moscow RTV]* 27
Kozyrev's Replacement Discussed 'More Than Once' *[ITAR-TASS]* 31
    Ministry Split Over Possible Ouster *[NEZAVISIMAYA GAZETA 20 Oct]* 32
Yeltsin Dismisses Administration's Head of Personnel *[ITAR-TASS]* 32
Yeltsin Signs Edict on Election of Administration Heads *[ROSSIYSKAYA GAZETA 19 Oct]* .. 33
Yeltsin Rejects Law on Wages in Budget-Funded Sphere *[ROSSIYSKIYE VESTI 19 Oct]* 33
Yeltsin Lauded for Advising Grachev To Appear in Court *[IZVESTIYA 19 Oct]* 34
Chernomyrdin Briefs Cabinet on New Economic Policy Shift *[INTERFAX]* 34
Chernomyrdin on Preventing Autumnal Inflation Rise *[ITAR-TASS]* 35
Chernomyrdin Caught Between Government Record, Poll Hopes *[PRAVDA 18 Oct]* 35
Filatov Comments on Local Elections, Council Formation *[ROSSIYSKIYE VESTI 19 Oct]* 36
Communists Accuse Yeltsin of Taking Sides in Elections *[ITAR-TASS]* 36

Military Issues

Official Says Duma Unlikely To Ratify START-2 Treaty *[INTERFAX]* 37
Vorobyev Blames Duma for 'Deplorable' Defense Financing *[ITAR-TASS]* 37

Federal Assembly

Duma Sees Nation's Security as 'Unsatisfactory' *[SEGODNYA 19 Oct]* 38
Duma Ratifies CIS Convention on Human Rights *[ITAR-TASS]* 38
Federation Council's Abdulatipov Answers Questions *[KOMSOMOLSKAYA PRAVDA 18 Oct]* 39

Regional Affairs

Chechnya Reportage; Military, Negotiations, Economic 42
    Grachev: Talks Leading to More Fighting *[INTERFAX]* 42
    Dudayevites Warn Against Resumed Hostilities *[INTERFAX]* 42
    Dudayev 'Human Shield' Operation Outlined *[ITAR-TASS]* 43
    Official on Attack at Serzhen-Yurt *[INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY]* 43
    Shkirko Concerned About Coming Winter *[INTERFAX]* 43
    Grachev Orders Troop Rotations *[INTERFAX]* 44
    Lobov on Ways Out of Chechen Crisis *[Radio Rossii]* 44
    Lobov Criticizes Handling of Finances *[Moscow NTV]* 44
    Troop Chief on Army's Financial Plight *[ITAR-TASS]* 45

- Mikhaylov Flies to Groznyy *[INTERFAX]* 45
- Official on 17 Dec Election Conditions *[ITAR-TASS]* 45
- Various Agencies Vie for Control *[KRASNAYA ZVEZDA 19 Oct]* 46
- Communications Restored on Schedule *[ITAR-TASS]* 46
- Foreign Firms Suspend Reconstruction *[ITAR-TASS]* 47

Yeltsin Greets Congress of Far North Communities *[ROSSIYSKIYE VESTI 19 Oct]* 47
- Congress Deplores Center's Attitude *[ROSSIYSKIYE VESTI 20 Oct]* 47

Security Tightened Around Northern Fleet Factories *[INTERFAX]* 47
Far East Information Vacuum Due to Money Problems *[Moscow RTV]* 48
Abkhaz Envoy Denies Interest in Separate Talks *[INTERFAX]* 48
Mufti To Be Charged for Tatarstan Building Seizure *[ITAR-TASS]* 48

Economic Issues

Chernomyrdin: No Money Available To Raise Minimum Wage *[INTERFAX]* 49
Duma-Government Economy Accord Key to IMF Talks Success *[FINANSOVYYE IZVESTIYA 19 Oct]* 49
Urinson Expresses 'Optimism' Over 9-Month Results *[ROSSIYSKAYA GAZETA 20 Oct]* 50
Finance Ministry Hopes For Increase in Tax Revenue *[INTERFAX]* 51
Government To Move on Tax Shortfall, Avoidance *[FINANSOVYYE IZVESTIYA 19 Oct]* 51
Enterprise Debts Near R200 Trillion as of 1 Sep *[PRAVDA 19 Oct]* 52
Chechnya Causes Big Budget Cut *[ARGUMENTY I FAKTY Oct]* 52
Implications of Monopoly Output Price Freeze Plan *[FINANSOVYYE IZVESTIYA 17 Oct]* 52
Treasury Statement on Legality of Old $100 Bills *[PRAVDA 19 Oct]* 53
Paper Cites Unemployment, Job Vacancy Data *[PRAVDA ROSSII 19 Oct]* 53
36 Percent of Workforce Employed in Private Sector *[ITAR-TASS]* 54
Privatization of Coal Mines Depends on Stand of Regions *[ITAR-TASS]* 54

UKRAINE

International Affairs

Shmarov Rules Out Joining Military Alliance With Russia *[AFP]* 55
Russia's 'Strategic Course' Criticized *[SILSKE ZHYTTYA 12 Oct]* 55
Marchuk on 'Core' Ukrainian-Russian Agreements *[INTERFAX]* 56
Marchuk on Lack of Progress on Black Sea Fleet Talks *[INTERFAX]* 57
Kuchma Skeptical of Membership in CIS Unions *[Kiev TV]* 57
Udovenko Supports Plans To Reform United Nations *[INTERFAX]* 57
Kuchma Stresses Germany's 'Special Role' in Ukraine *[DEMOKRATYCHNA UKRAYINA 14 Oct]* 58

National Affairs

Shmarov: Ukraine Developing New Military Doctrine *[INTERFAX]* 58
Defense Minister Visits Crimea, Comments on Bases *[INTELNEWS]* 58
Parliament Approves Appointment of New Prosecutor *[UNIAN]* 58
Parliament Criticizes Prosecutor Over Zvyahilskyy Case *[UNIAN]* 59
Government Commission To Examine Picketers' Demands *[UNIAN]* 59
Report on Ongoing Feud Between Orthodox Denominations *[HOLOS UKRAYINY 14 Oct]* 59
Metropolitan Filaret Unopposed for Orthodox Leadership *[INTELNEWS]* 60

Economic Issues

World Bank To Extend Further Credit Within Next 2 Years *[INTERFAX]* 60

Deputy Prime Minister Pynzenyk Views Reforms *[BELORUSSKAYA DELOVAYA GAZETA 12 Oct]* 60

WESTERN REGION

Belarus

NATO Delegation Meets Foreign, Defense Ministries, KGB *[Minsk Radio]* 67
Minsk Wants Part of EU's Chernobyl Cash Offer *[ITAR-TASS]* 67
More on Lukashenka Aide's Visit to Iraq *[BELAPAN]* 67
Emergence of Japanese Ties Described *[IZVESTIYA 17 Oct]* 67

Moldova

Snegur To Support Reforms to UN Security Council *[INTERFAX]* 68
Yeltsin Awards Arrested Policemen for Bravery *[BASAPRESS]* 69

CAUCASUS

Armenia

Cooperation With Syria Said 'Developing' in All Fields *[NOYAN TAPAN]* 70
'Changes of Cadres' in Karabakh Announced *[ARAGIL ELECTRONIC NEWS BULLETIN]* ... 70

Azerbaijan

Aide: Draft Constitution Provides for Presidential Republic *[INTERFAX]* 70
Official Comments on New Constitution, Nagorno-Karabakh *[TURAN]* 70

Georgia

Shevardnadze Cancels Visit to U.S. *[ITAR-TASS]* 71
German Bank To Finance Improvements to Power System *[IPRINDA]* 71
Problems Arise in Paying Russian Military in Laris *[IPRINDA]* 71
Tbilisi Public Urges Yeltsin To Act Against Giorgadze *[CONTACT INFORMATION AGENCY]* 72
Communist Leader Threatens Trial for Shevardnadze *[INTERFAX]* 72
Working Group To Assist Foreign Observers During Elections *[CONTACT INFORMATION AGENCY]* 72

BALTIC STATES

Latvia

Birkavs: No Need For Emergency Steps on Russian Threat *[INTERFAX]* 73
Swedes Say Latvian Corruption Barrier to Investment *[Riga Radio]* 73

Lithuania

German Bundeswehr IG on Russian 'Threats,' NATO *[BNS]* 73
Foreign Ministry Demands Latvian Explanation of Oil Reports *[Riga Radio]* 74
IMF Credit Agreements Worth $421.5 Million *[INTERFAX]* 74
U.S. Eximbank To Initiate Long-Term Loans for Lithuania *[FINANSOVYYE IZVESTIYA 19 Oct]* 74

Key Developments

CEC Registers 104 Independent Candidates

LD1910173095 Moscow INTERFAX in English 1442 GMT 19 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 19 (INTERFAX) — According to the Central Electoral Commission [CEC] which received reports from district electoral commissions, 104 independent candidates were registered by the morning of October 18. Two thirds of the candidates were advanced by various parties, blocs and associations, the information center of the Movement for Supporting Independent Deputies told INTERFAX.

This movement was set up on the initiative of State Duma Deputy Yevgeniy Fedorov and has 45 regional branches.

The same source said that representatives of the executive and legislative authorities at various levels account for 26% of the independent deputies. Among them State Duma and Federation Council deputies constitute 11%.

Managers of industrial enterprises and commercial organizations account for 24% of the single-mandate candidates, servicemen — 21%, researchers and educational and cultural workers — 7.5%, medical workers less than 5%, pensioners 2% and lawyers 2%.

Among the independent candidates there is one writer, Eduard Limonov.

Zyuganov Speaks to Businessman at U.S. Chamber of Commerce

MK2010064095 Moscow KOMMERSANT-DAILY in Russian 19 Oct 95 p 3

[KOMMERSANT-DAILY's own report: "A Communist Visits the Yankees"]

[FBIS Translated Text] CPRF [Communist Party of the Russian Federation] leader Gennadiy Zyuganov is the fourth public politician in the entire history of the American Chamber of Commerce in Russia, and the first among those who, shortly before the parliamentary elections, received an invitation to speak before the monthly lunch that the Chamber arranges for American businessmen to meet members of the Russian establishment. Both the speaker and participants in the lunch agreed, despite insurmountable class differences, that the Communists are clear favorites in the 1995 electoral race. Hands stuck a la Lenin in his trouser pockets, Zyuganov held himself confidently before the audience, which was trying to figure out how dangerous for American business the growing strength of Russia's "new leftists" is. "We know what prevents you from investing in the Russian economy," said the Communist leader. "We have already drafted documents that will enable you to receive high profits after our victory." That the Communists could find a common language with American businessmen is confirmed by 70 years of the USSR's history. Remaining open is the question, would Russian businessmen, in order to "receive high profits," have to emigrate to America and come back to Russia under the U.S. flag?

PRAVDA ROSSII Publishes Appeals From Communist Party

CPRF Calls For Support From Women

MM1910153595 Moscow PRAVDA ROSSII in Russian 19 Oct 95 p 3

[Appeal by the Communist Party of the Russian Federation: "Time To Act"]

[FBIS Translated Text] Comrades! Women of Russia!

Our homeland is at a tragic crossroads. The current ruling regime has plunged the country into catastrophe. The people are being decimated by a very high death rate: The mortality rate has risen by 40 percent in the past four years of Yeltsin's rule! The mortality rate is particularly bad among children and old people.

Back in 1987, life expectancy in the USSR was 70. As a result of the Yeltsin-Gaydar-Chubays-Chernomyrdin reforms it has fallen by six whole years and is now 64. This is their sole "achievement" in the years of democratic rule.

We are rapidly approaching the countries of Asia and Africa. Russia has almost reached the South Asian level in terms of life expectancy. Our women are "coming to the rescue" — they are more resistant to the barbaric extremism of the "reformers."

But the process of extinction will continue under the current regime. Indeed, the cost of the consumer shopping basket increased 3.5 times in 1994 alone, prices increased 3.24 times, and average pay only 2.3 times.

Food prices are rising particularly swiftly at the moment. Prices of bread, milk, and edible fats, that is, things that are essential to all people, but above all children, have soared in 1995.

We are having to pay through the nose for services, with prices having risen many times over!

When it comes to supplies of Russian-made goods the situation is getting worse and worse. Milk, eggs, cheap types of sausage, and fresh meat are vanishing from the trade network. Supplies of bread, sugar, and vegetable oil are becoming intermittent. Even Moscow is no exception and certainly are the provinces.

At the moment, one-half of the goods in Russia are imported; in Moscow the figure is three-fourths. Their prices rise with the dollar rate.

Given this colonial-market direction of development, Russia is doomed to extinction. The forecast is that from 1995 through 2005 the number of deaths will exceed the number of births by 12 million, or 1.8 times. Predicted life expectancy in 2005 is approximately 59. Truly frightening figures. What else can you call it but mass murder.

We appeal to you, women of Russia! The time has come to act. Only the united force of the people will save our lives and our fatherland! So let us unite to achieve these goals and vote at the upcoming elections for candidates of the "Communist Party of the Russian Federation" [CPRF] electoral association.

A victory for the communists in the elections is a victory for the people!

A victory for the people will save the lives of millions of our children and old people!

[Signed] Communist Party of the Russian Federation

CPRF Urges Funding, 'Active Support'

MM1910135795 Moscow PRAVDA ROSSII in Russian 19 Oct 95 p 1

["Appeal by the Communist Party of the Russian Federation Central Committee"]

[FBIS Translated Text] Dear compatriots!

We appeal to the members of the party and its supporters, to all who hold Russia dear, who are proud of its history and culture, and whose hearts ache to see its suffering and the unheard-of desecration of the memory of many generations of Russians and Soviet people.

The upcoming parliamentary and presidential elections perhaps provide our last chance of peacefully and democratically changing the current political and socioeconomic course that has brought terrible tragedy to our fatherland. We appeal to you to support the Communist Party of the Russian Federation [CPRF], which has a program, a clear-cut election platform, and clear goals.

The CPRF is seeking secure objectives that everyone understands — the triumph of people's power, the state unity of Russia in a new union of peoples, civil peace in society, tranquillity and security in every home, and prosperity in every family.

We are opposed by corrupt authorities and mafia capital. They have big money and connections and they have access, despite fabulously high rates, to all television and radio channels and all "independent" newspapers.

Our party does not have and cannot have similar sources of finance for its election campaign. Therefore, only with your active support, dear compatriots, can the CPRF break out of the information blockade and carry out the requisite organizational and canvassing work in the election campaign.

The CPRF Central Committee is counting on your assistance in any acceptable form. We thank you in advance for participating in the conducting of the election campaign and assisting our party. You can send your donations to the party fund or the "CPRF" election association fund.

Agrarians Reject Shakhray's Land Referendum Proposal

MM2010081695 Moscow SELSKAYA ZHIZN in Russian 19 Oct 95 p 1

[Unattributed report: "Bellicose Populism"]

[FBIS Translated Text] Agrarian Party of Russian faction deputies have sent a statement to the Stage Duma Council in connection with the announcement by the Party of Russian Unity and Accord [PRES] of the start of the collection of signatures in support of a Russian national referendum on land at the same time as the elections to the State Duma on 17 December 1995.

Mr. Shakhray proposes the following referendum question: "Do you accept the draft Federal Law 'On Land,' yes or no?"

The hidden meaning of this proposal is obvious. Given this wording, an answer in the affirmative means you want to legalize unlimited buying and selling of land, introduce mortgaging of land, and thereby deprive the people of the last national resource: land and its mineral wealth.

The Agrarian Party of Russian faction believes that the statement by S.M. Shakhray, leader of the PRES and State Duma deputy, discredits the decisions of the State Duma, which rejected the proposed Federal Law "On Land" and accepted on first reading the Russian Federation Land Code. This statement is no more than part of a speculative election campaign intended for ignorant people, remote from the peasantry's real concerns. In election campaign conditions the PRES is trying to make political capital out of what is now the most important question for the people — land — but not for the people's benefit.

"No" to a referendum on the free buying and selling of land!

Admiral Baltin Denies Instructions From 'Top'

*LD1910143095 Moscow INTERFAX in English
1104 GMT 19 Oct 95*

[FBIS Transcribed Text] SEVASTOPOL, Oct 19 (INTERFAX) — In a statement sent to INTERFAX Thursday, Black Sea Navy commander Admiral Baltin, dismissed as groundless an assertion that there have been "instructions from the top" on military participation in the forthcoming elections to the State Duma.

Baltin will run for parliament from the electoral bloc For Homeland, led by former State Property Committee chief Vladimir Polevanov and Russian air-borne troops commander Col. General Evgeny Podkolzin.

Explaining why he had joined For Homeland, Baltin said it was intolerable that top military officials, the Defense Minister among them, have to report to nonprofessional deputies about military matters which these lawmakers know almost nothing about.

Baltin complained that in resolving Black Sea Navy problems he had often felt that it was unclear as to who was in authority.

The situation in the country is such that the officers who care about Russia's future have to go into politics, Baltin said, adding that "if people are not led now, extremists will lead them in the future."

Daily Questions Purpose of Skokov's Trip to Beijing

*MM1910122995 Moscow TRUD in Russian
19 Oct 95 p 4*

[Article by political scientist Aleksandr Babinskiy: "From the Kremlin Wall to the Wall of China; Why Has Yuriy Skokov Gone to Beijing?"]

[FBIS Translated Text] The unexpected departure for China 16 October by Yuriy Skokov, leader of the Congress of Russian Communities [KRO], surrounded, as usual, by an atmosphere of secrecy, has generated a mass of rumors and stories. Despite the leak of information about the trip from the PRC Embassy, so far no one has managed to obtain any information about the aims of the visit and the level of the receiving party — Mr. Skokov obviously does not intend to lose his image as Russia's most "secret" politician.

Let us note that even before his Chinese trip the leader of the KRO had visited North America in the middle of September and met with representatives of the leadership of the Republican and Democratic parties. During his visit Mr. Skokov totally refused to meet with Russian journalists, restricting himself merely to a press conference for the American mass media which, incidentally, are completely unfamiliar with Russian political specifics. Thus all information about the content of the KRO leader's talks with influential American politicians remained secret to Russian voters.

Of course there is nothing unusual in the fact that, having headed the KRO electoral association, Yuriy Skokov has included visit to other countries in his plans. So it is highly likely that Mr. Skokov's trips abroad would not have attracted special attention had it not been for several very important circumstances.

Since leaving his post as secretary of the Security Council Yuriy Skokov has not made an official trips abroad at all. Now, having resumed this practice, the KRO leader is visiting only the superpowers, overlooking other countries. It is no secret that the success of any foreign visit is always directly connected with who receives the Russian delegation — the higher the level, the more successful the visit and the more important the result. It should also be noted that today the greatest attention to contacts with Western partners is displayed by electoral associations that lay serious claim to major success in the parliamentary elections. The reasons for this are understandable, as are the reasons compelling representatives of the world political elite to meet with the favorites in the Russian electoral race.

The level of Yuriy Skokov's meetings attests that the KRO has already been recognized by foreign partners. But influential politicians in the West as a rule avoid contacts with representatives of the Russian opposition. And it would seem hard to include the KRO among the pro-government electoral associations.

No less strange is the fact that Yuriy Skokov's trips to a particular country virtually anticipate Boris Yeltsin's visits (as we know, the Russian president intends to visit the United States in late October and is expected in Beijing in mid-November). Here it is far from a secret that the Russian Foreign Ministry is doing everything to prevent contacts between the Russian opposition and Western politicians, particularly on the threshold of visits by the Russian leadership. It is hard to imagine that Andrey Kozyrev's department — if anything still depends on him alone — has committed such a flagrant "gaffe."

The circumstances of Mr. Skokov's visit to China seem even more curious — there are no independent public organizations in the PRC and a visit to China by any major Russian politician is possible only with the authorization of the top PRC leadership. It is hard to suspect the PRC leadership of wanting to spoil relations with Russia and with President Yeltsin personally especially on the threshold of the expected Russian-Chinese summit meeting.

The impression is thus formed that Yuriy Skokov's tour of the superpowers was organized with the authorization of the Kremlin's current denizens. In this connection, we cannot fail to recall a very curious story put forward by several mass media in Russia. The thrust of this story is that the KRO headed by Yuriy Skokov was initially created as a real "left-centrist" bloc at a time when Ivan Rybkin's bloc was set up by the Russian authorities as a kind of "false target." One way or another according to uncorroborated information that has leaked from inside the Kremlin, Ivan Rybkin has already asked the president to be appointed ambassador to countries that are not overly warm. The KRO is preparing to occupy the position of the "tame opposition" at the forthcoming elections. It is difficult to say how far this suggestion is correct. But it remains a fact that the KRO has comfortably fit into the niche, to which "Ivan Rybkin's bloc" has laid and continues to lay claim, and it is the KRO which today is in fact the uniter of a large part of the left-centrist forces.

Moreover, recent rumors have been spreading vigorously in Moscow's political corridors that Yuriy Skokov will in the very near future be offered the post of Russian prime minister while Viktor Chernomyrdin will be advised to devote his time and efforts to the "Russia Is Our Home" movement's election campaign. In regards to this, it is also recalled that Mr. Skokov has maintained friendly relations both with Boris Yeltsin and with the most influential section of his entourage. So it is suggested that Yuriy Skokov's new appointment will be one stage in preparing the ground for Boris Yeltsin's re-election for a second term as president. In other words, it is Skokov who should help bring Boris Yeltsin closer to the moderate opposition in Russia.

Despite the fact that information about the possibility that Mr. Skokov may be offered the prime minister's portfolio cannot be verified in practice — it has been fiercely denied both by Chernomyrdin and by Skokov himself — events of recent weeks entirely confirm it. No one doubts the fact of the "tiff" between Viktor Chernomyrdin and Boris Yeltsin. The refusal of Sergey Glazyev, one of the KRO leaders, who is an implacable opponent of Mr. Chernomyrdin's cabinet, to initiate the process for a vote of no confidence in the government also says a lot. If we follow the "Kremlin version," then Mr. Skokov's trips to the United States and China can perfectly well be seen as the first presentation of Russia's future prime minister to the superpowers' political elite.

On the basis of this story we can understand why the KRO — an organization known to almost no one only six months ago — has become a real rival to the country's strongest party — the Communist Party of the Russian Federation — and has relegated Zhirinovskiy to a minor role.

Trade Unions Plan To Establish Political Organization

LD1810153595 Moscow INTERFAX in English 1339 GMT 18 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 18 (INTERFAX) — One of the main tasks set by Russia's trade unions is to win the forthcoming parliamentary elections and shape a new political organization on the basis of the Russian Trade Unions for Elections public movement, leader of the Federation of Russia's Independent Unions Mikhail Shmakov told the Federation's General Council in Moscow Wednesday.

The Federation was established five years ago and has 50 million members. Among its goals is "the promotion of social partnership in the interests of the working people." It is also working to broaden trade union activity and to set up production councils at industrial enterprises in order to control the implementation of collective agreements.

Shmakov said that current socioeconomic reform has caused the population's living standards to drop by two times; left 12 million citizens jobless and led to a situation whereby the incomes of 30% of the population are below the subsistence minimum. Naturally, the trade unions oppose these tendencies and will continue to combine parliamentary methods with massive collective actions," he said.

Russia's Deputy Prime Minister Yuriy Yarov supported the idea of social partnership and said that it had no alternative.

The General Council's session will continue on Wednesday afternoon.

Regional Activities

Ryzhkov Visits Yekaterinburg on Election Campaign

LD1910121595 Moscow ITAR-TASS in English 1120 GMT 19 Oct 95

[By Yuriy Konshin]

[FBIS Transcribed Text] YEKATERINBURG, October 19 (ITAR-TASS) — "Although I know very well the present state of the Russian economy, I was unpleasantly surprised by the silence in the workshops of the

Uralmash plant, where life has practically come to a standstill," former Uralmash Director-General and ex-Premier of the USSR Nikolay Ryzhkov said after his visit to the plant during his canvassing trip to Yekaterinburg as leader of the "Power to the People" election bloc.

Ryzhkov claims (and he said this during his meetings with voters) that "the country is turning into a raw materials adjunct of the developed states", and that "the new plant owners have no intention to expand producton". He pointed in this connection to Moscow businessman Bendukidze, who holds the biggest package of Uralmash shares and is now ready to sell it "for a good price".

Irkutsk Oblast Electoral Commission Outlines Procedures

964F0083A Irkutsk VOSTOCHNO-SIBIRSKAYA PRAVDA in Russian 10 Oct 95 p 7

[Report from the Election Commission of Irkutsk Oblast]

[FBIS Translated Text] Taking into account the important role of agents and authorized representatives of electoral associations, electoral blocs, candidate deputies, members of election commissions with the right to an advisory vote, observers, including foreign observers, and representatives of the mass media in providing for objective, independent, and fair elections, the election commission of Irkutsk Oblast reports to participants in the election campaign for elections of deputies to the State Duma of the Federation Council of the Russian Federation the basic provisions of the procedure for their appointment and activity.

The full text of the explanations of the Central Election Commission [CEC] of the Russian Federation concerning the procedure for the appointment and activity of agents of electoral associations, electoral blocs, candidate deputies, members of election commissions with the right to an advisory vote, authorized representatives of electoral associations, their blocs, observations, foreign (international) observers, and representatives of the mass media during elections of deputies to the State Duma of the second convocation were published in ROSSIYSKAYA GAZETA for 13 September 1995.

1. Agents

Agents shall be appointed by the electoral association, their bloc, or the candidate deputy after the registration of the federal lists of candidates and lists of candidates in single-mandate electoral districts on the basis of a decision of the management organ of the electoral association or a statement from the candidate deputy which indicates: The surname, given name, patronymic, date of birth, place of employment, and place of residence of the agent. The electoral association may have up to 500 agents, and a candidate deputy—up to 10 agents.

Agents shall be registered with the corresponding electoral commission and receive credentials with the established form. The credentials shall be manufactured by the corresponding electoral commission with funds allotted for conducting the elections.

For the period from the day of registration until the day of the official publication of the overall results of the elections of deputies, the administrations of enterprises, organizations, and institutions, regardless of their form of ownership, shall be obliged, at the personal request of the agent, to grant him unpaid leave.

Agents shall have the right to participate in meetings of election commissions, to familiarize themselves with the commission's documents, and be present in the electoral precincts.

Agents shall not have the right to interfere with the work of election commissions or render aid to the voter on the day of voting with respect to obtaining or filling out the ballots.

The electoral association or the candidate deputy shall have the right at any time to recall their agents and appoint new ones to replace them.

2. Members of Election Commissions with the Right to an Advisory Vote

Every electoral association after obtaining the list of candidates validated by the CEC of the Russian Federation, shall have the right to appoint one member of the election commission with the right to an advisory vote to each election commission of a component of the Russian Federation as well as each district and territorial election commission, and also to each precinct commission.

The decision of the electoral association or the electoral bloc to appoint its representative as a member of one electoral commission or another with the right to an advisory vote shall be signed by an authorized individual and the secretary of the electoral association or electoral bloc and validated with the stamp of the public association.

Candidate deputies to the State Duma shall each have the right to appoint one member with the right to an advisory vote to the district election commission and also each territorial and precinct election commission of the single-mandate electoral district where this candidate is registered (Articles 19, 20, and 21 of the law "On Elections of Deputies to the State Duma of the Federal Assembly of the Russian Federation"). A candidate deputy registered with the district election commission shall apply in writing to the corresponding election commission with a notification of the appointment of a member of the election commission with the right to an advisory vote. The letter shall indicate the surname, given name, patronymic, and year of birth (if 18 years of age—the day and month as well), place of employment, type of occupation, and place of residence of the member of the election commission.

Members of the election commission with the right to an advisory vote shall not have the right to participate in the voting when the commission adopts decisions or to participate on the day of the voting either.

The authority of the members of the election commission of Irkutsk Oblast and the district election commissions with the right to an advisory vote related to preparing for and conducting the elections of deputies to the State Duma shall continue until the end of the registration of candidates for elections of deputies to the State Duma for the next convocation if the electoral association, electoral bloc, or the candidate who appointed them has received deputy mandates. The authority of other members of the election commission of Irkutsk Oblast and the district commissions with the right to an advisory vote shall end 30 days after the publication of the general results of the elections. The period of authority of members of the territorial and precinct election commissions with the right to an advisory vote shall expire at the same time as the authority of these election commissions is terminated.

3. Authorized Representatives of Electoral Associations and Electoral Blocs

The electoral association or electoral bloc in their congress (conference) or their leadership organ may appoint authorized representatives concerning all questions related to the participation of the electoral association in the elections of deputies to the State Duma, including for financial issues.

The electoral association shall issue to its authorized representative credentials signed by the leader of the electoral association which is authenticated by a stamp of this association, and the electoral bloc—the signatures of authorized representatives of public associations included in the given bloc authenticated by the stamps of these associations or the stamp of the electoral bloc. The authorized representatives shall:

—represent in the CEC the interests of his electoral association or electoral blocs;

—verify the signature lists when signatures are gathered in support of candidates nominated in single-mandate electoral districts and submit them to district election commissions and also other documents for registration of candidate deputies;

—be present upon verification by election commissions that the signature lists and other documents have been filled out correctly;

—obtain from election commissions confirmation in written form of the acceptance of signature sheets;

—conduct election campaigning.

4. Observers

In compliance with Article 21 of the Federal Law, on the day of the voting, from the beginning of the operation of the precinct election commissions until the results of the voting are summed up, observers sent by electoral associations and candidate deputies shall have a right to be present in the electoral precincts.

The credentials of the observers must be certified in written form by an authorized representative of the electoral association or candidate deputies. The certification must indicate the surname, given name, and patronymic of the observer, his place of residence, and also the number of the electoral precinct from which he was sent. The document shall be valid upon presentation of a passport or a substitute identity document. Preliminary notification of the precinct electoral commission that an observer is being sent to the electoral precinct shall not be required.

The observer shall have the right:

—to be present in the polling place for the corresponding electoral precinct on the day of the voting, including in the electoral precinct of a military unit;

—to participate in the inspection of the ballot boxes before they are sealed and the envelopes with early voter ballots that have been left at the electoral precinct by voters who voted early;

—to be in attendance during the voting by voters outside the premises in the event that because of their health or for other valid reasons the voters are unable to be come to the polling place;

—to familiarize themselves with the protocols of the corresponding election commissions concerning the results of the voting and to receive notarized copies of them;

—to make suggestions to the chairman of the precinct election commission and remarks regarding questions of the organization of the voting;

—to appeal the actions (inaction) of the precinct election commission to the territorial or higher election commission or court.

The observer shall not have the right:

—to sign for a voter at his request to obtain a ballot;

—to fill out a ballot for a voter at his request in the room (booth) for secret voting;

—to commit actions that impede members of the precinct election commission from performing their functions.

5. Foreign (International) Observers

Foreign, or international, observers shall be accredited by the CEC of the Russian Federation at the request of international and national government and nongovernment organizations and individuals with recognized authority in the area of protection of the rights and freedoms of the individual and the citizen, and they shall have the same rights as public observers.

Foreign observers shall not have the right to take advantage of their status for actions not related to observing the course of the elections.

6. Representatives of the Mass Media

In compliance with the provisions of the federal law, representatives of the mass media shall be called upon to give the population complete, objective, and reliable information about the course of the elections in all stages of the election campaign.

Representatives of the mass media shall have the right:

—to attend meetings of election commissions, providing for publicity and openness of their activity;

—to receive properly certified copies of decisions of election commissions and turn them over for publication;

—to attend public campaign measures and cover the course of them;

—to be present in electoral precincts on the day of the voting, during the voting, when the votes are being counted, and when the protocols on the results of the voting are being drawn up by the precinct election commissions;

—to familiarize themselves with the protocols of the election commissions concerning the results of the voting.

Representatives of the mass media—journalists, officials and creative workers of the editorial offices, state television and radio companies—shall be prohibited from participating in the coverage of elections through the mass media if the aforementioned individuals are registered as candidate deputies or are agents of electoral associations, blocs of them, or candidate deputies.

Individuals impeding the legal activity of the aforementioned participants in the electoral process shall bear administrative or criminal liability according to the procedure established by legislation.

Forecasts & Commentary

PRAVDA Interviews Govorukhin on Election Bloc Prospects

MM2010085195 Moscow PRAVDA in Russian 19 Oct 95 p 1

[Interview with Stanislav Sergeyevich Govorukhin by Natalya Shcherbanenko; place and date not given: "We Could Not Live Like That. Now Life Has Become Even Worse" — first paragraph is PRAVDA introduction]

[FBIS Translated Text] After lengthy reflections on the significance of parliament Stanislav Sergeyevich Govorukhin has set up his own bloc in order to once again take part in lawmaking in Russia. To what end — can he no longer live without it?

[Shcherbanenko] My first question is probably one that you are tired of answering. You are a well-known director and now you are in the Duma again, why is that?

[Govorukhin] I have not directed anything for a long time. My movie "We Cannot Live Like That" is real politics.

[Shcherbanenko] Why is your own name included in the title of the bloc?

[Govorukhin] The word "democracy" in our former title "Democratic Party of Russia [DPR]" became so discredited that it had to be removed. Second, too many parties and blocs will be taking part in these elections. The voter will hardly find his people without some identification.

[Shcherbanenko] Does the team of young politicians whom you lead not object to your taking over like this?

[Govorukhin] The young politicians who are with me are not ambitious. I am no Bonaparte (I did not suffer from that even as a director). The main thing for a politician and for a director is to surround himself with talented people and enable them to work with one another.

[Shcherbanenko] Who are "Govorukhin's bloc"?

[Govorukhin] Mainly people from the DPR (some of our people went to the Congress of Russian Communities [KRO]), the "People's Alliance," the "Christian Democrats," and the growing association of trade unions. Our bloc comprises people who have withstood the temptation of power. The powers that be would clearly like to have these bright, intelligent young specialists on their team, but for that they had to change their platform and go back on their principles. They refused the appealing posts. Associations that have formed on these principles have a future.

[Shcherbanenko] Are you hoping for victory?

[Govorukhin] I think that we will be virtually neck and neck with "Russia Is Our Home" despite their having everything — power, money, the mass media.

[Shcherbanenko] How much money will be put into the election campaign?

[Govorukhin] The country has already gotten accustomed to an unnatural situation because no one becomes indignant at the "responsible" statements made by contenders like Khakamada and Fedorov: They will spend $2.5 million apiece, that is all: They say that they will not be showing off. But I have a question: Where are they going to get these billion rubles or more other than by stealing them from the voters? We will not buy the press and organize a promotional banquet during a plague. You cannot do without any money, of course, but the money we invest will be on a far smaller scale.

[Shcherbanenko] Who do you think will vote for "Govorukhin's bloc"?

[Govorukhin] Medics, teachers, librarians, museum staff, some members of law-enforcement bodies, and qualified workers. I think that most of our voters are not Muscovites. Moscow is the capital of the criminal world, that is not the real Russia.

I think that the intelligentsia, who have been cleansed by their awareness of the disaster that they helped to create in Russia in the grip of the illusion regarding democratic transformations, will vote for us.

[Shcherbanenko] You do not rank yourself among this "intelligentsia of illusions," do you? Since you declared to all Russia "We cannot live like this," life has become even worse.

[Govorukhin] I realize that. The incumbent authorities also took their place in the Kremlin atop a wave of similar criticism. If I had known then that I was working for that, I would not have shot that movie. No matter how many denunciatory books Zinovyev, Maksimov, and other dissenters had written.

[Shcherbanenko] But fortunately all of your forecasts did not materialize. You scared Russian citizens with the thought of a catastrophe, but the streetcars are still running. The order of life has not collapsed....

[Govorukhin] But it has. Although it is impossible to be fully conscious of that now. You know, the nature of the country will depend on the nature of its citizens. The "pack of wolves" is growing in Russia. With rare exceptions that is what young people are becoming as they adapt to the new values. They are being corrupted quite deliberately: They are being put off the concepts of knowledge, integrity, and duty — notably to the Motherland. Who wants to defend it today? This is where it is necessary to sound the alarm and take state measures.

[Shcherbanenko] You are a journalist and not a professional politician. The deadlock which Russia is experiencing today is too serious for humanitarians like you to carve its way.

[Govorukhin] First, politics in its unadulterated form began in Russia five or six years ago. So, I am one of the oldest politicians. Second, my professionalism lies in my honest awareness that I am not competent on many issues. There are three to five areas in which I am relatively expert: culture and crime, for instance. I will never speak about the economy — I merely surround myself with intelligent associates.

[Shcherbanenko] Does the bloc not have its own economic program then?

[Govorukhin] Yes, it does. It can be expressed in very few words: Leave or restore what was good in our country and take the best elements from our neighbors in the East and West. Everyone is aware of the "nonexpert" Govorukhin's dissenting opinion in these battles. We can see what the experts have achieved. Many issues must be tackled at the level of common sense and honesty in politics.

[Shcherbanenko] What is an "honest" politician? Do they actually exist?

[Govorukhin] They do. For me an honest politician is an honest man. If you have not killed, stolen, given false evidence, and honored father and mother — yours and others. If we apply this yardstick to the party of government, what do we see? The firing on the parliament, Chechnya, dacha palaces, foreign bank accounts.... Pardon me for giving such a mundane example, but neither I nor my buddies in the bloc have mansions like that. I do not have a dacha at all despite the fact that I am not a poor man — I have books, movies....

[Shcherbanenko] Who are your electoral allies?

[Govorukhin] The Communists and the Agrarians, but they are more like fellow-travelers than allies. We can coordinate our efforts with them but we cannot be friends with them, they are too orthodox for that. And there are our confederates in the KRO.

[Shcherbanenko] Is there an idea in Russia today that unites everyone?

[Govorukhin] Yes. Love of the motherland.... When identifying our voters, allies, and opponents, we divide people into those who say "this" country and those who say "our" country. I am not trying to be clever either — that is the simple truth.

Economic Improvement Seen Unlikely To Sway Voters

MM1910131295 Moscow IZVESTIYA in Russian 19 Oct 95 p 1

[Article by Otto Latsis: "The Authorities Themselves Clear the Communists' Road to Power"]

[FBIS Translated Text] "The big guns go into battle backward" — [Soviet poet] Aleksandr Tvardovskiy was very fond of that phrase and used it many times in his verse and in conversation. Life is complex, and forthright forecasts never come true so you have to be ready for the most unexpected developments — that is the gist of the saying. Pre-election activity — economic and political — brings that piece of folk wisdom to mind especially often.

The Russian Federation State Committee for Statistics has issued the latest report on Russia's socioeconomic situation in the period January-September. There is much in this report that justifies an optimistic assessment of the situation. September, for example, was the fifth successive month in which the industrial output volume did not fall below the figure for the corresponding period last year, whereas in September 1994 the corresponding indicator was just 77 percent of the 1993 level. In the export sectors even the stabilization of the ruble exchange rate did not stop the growth: It was up by 10 percent compared with January-September last year in the ferrous metal industry (in the same period last year the figure was 22 percent down on the 1993 level) and 11 percent up in the chemical and petrochemical industry (34 percent down a year earlier). And perhaps the most important thing of all: The commissioning of housing in January-September was 13 percent higher than the previous year's figure (last year saw a fall of 7 percent).

The consumer price index rose 4.5 percent in September as against 4.6 percent in August, but this barely noticeable improvement deserves special attention. Yes, it vindicated the pessimism of those who do not believe that the government will bring the inflation rate down to 1-2 percent a month by the end of the year. But the government succeeded in doing something perhaps more important in terms of the prospects for financial stabilization: For the first time since the reforms began inflation did not rise in September-October. Last year the August price index was 4 percent (the same month in 1993 and 1992 showed inflation at its slowest), but the price index rose by 8 percent in September 1994 compared with the previous month and by 15 percent in October. The first anniversary of the catastrophic "black Tuesday" — the collapse of the exchange rate which was directly connected with inflation — has now passed and there have been no disasters.

What impact will all these best-ever statistics have on the voters' assessment of the government's activity on election day? Most probably none. While extremely important in terms of economic analysis and forecasting, all these indicators have no effect on the immediate processes of everyday life. The social atmosphere is influenced by other indicators; they are also a record since the reforms began but this time they are the worst ever. Real per capita wages in September were 71 percent of the level for September last year. The corresponding figure last year was also down, but by only 9 percent — not 29 percent. Furthermore, in the first two and a half years of the reforms the decline in average real pay was offset by the accelerated rise in incomes from other sources so that average real incomes rose quite rapidly. But for a year now, since October 1994, real disposable cash incomes have been falling. In September they stood at 82 percent of the September 1994 figure (September 1994 was 115 percent of the September 1993 figure). Some 40 million people or 27 percent of the entire population have cash incomes below the subsistence minimum — this indicator might not be the worst ever since the reforms began, but in any event it is considerably worse than the first half of last year.

Someone will say perhaps: You cannot fight inflation without reducing state expenditure, so you have to choose — high prices and high incomes or low prices and low incomes. But in fact only the first part of this argument is true: It is absolutely necessary to cut state expenditure. The question is: How to do that? Defense spending could be cut by implementing the military reform, which would give the country a numerically smaller but better provided and more combat-capable army, and of course by not going to war. The extremely inefficient state subsidies to various sectors of agriculture and industry could be cut back more ruthlessly. Various tariff and tax concessions could be scrapped earlier and more resolutely. Finally, spending on the administrative apparatus could be cut. That would be the socially oriented choice. There is another choice which could be called the anti-social option: You can cut the real incomes of workers employed in the budget-funded sphere, primarily in education and health care. That is what prevailed this year.

You can take a philosophical view of this, too: The government committed this outrage — the government will get its comeuppance in the elections, where the opposition parties will come out on top and will take care of the people in the future. Let us not forget however: The big guns go into battle backward. This is especially relevant to Russian policy in the era of reforms. The point is that the very concepts of "government" and "opposition" have become extremely vague in our country nowadays.

For example, such crucial government figures as Chubays, Soskovets, Zaveryukha, and Grachev represent policy directions which do not simply differ from one another but are often diametrically opposed and are fundamentally incompatible within the same government. Formally speaking, Zaveryukha in particular even represents an opposition party (he is not alone in this respect). Grachev, on the other hand, is not only non-party, but quite recently he was one of the ministers most hated by the Communist opposition. But if you attach significance to political actions instead of political declarations, there is no doubt that Grachev and the Communo-Agrarian bloc are in fact jointly pursuing a policy of remilitarizing the country and increasing defense spending. Zyuganov's supporters like to shed a few tears about impoverished teachers and doctors, but not before they vote for a budget that gives all the available resources to defense. On these issues they are always joined by the Zhirinovskiyites, whom you might expect to find at the other end of the political spectrum.

Real power offers unprecedented opportunities to the Communists, even though formally they are in the opposition. Having done a very great deal for the real improvement of the position of working people in the past two years, they intend to reap the political dividends of that in the elections by pinning all the blame on the reforms and the reformers.

In Russia, nothing is like it is in the decadent West. Over there parties of a liberal persuasion (not to be confused with the Zhirinovskiyites whose use of the word "liberal" in the party's title has no logical explanation) support the maximum freedom for market incentives and are usually accused of neglecting social goals. On the other hand, left-wing parties there give top priority to social goals but try to restrict the autonomy of the market. In our country the "left" (the Communo-Agrarians) do not exactly regard the market with favor, but when it comes to policy (not the cries at rallies but their real actions such as the vote on the budget or the Law on Military Obligation) you cannot find social goals even with the aid of a microscope — it is all about the state. But as for Russia's Choice, the most liberal party in the Western sense of the word, what you see most often there is social goals.

It has to be admitted that the real PARTIES (from the English word part) that is, the real SIDES in the political struggle in our country are distinguished not by their party cards. In the "party of irrational state spending" (let us call it that) government members Grachev and Zaveryukha stand alongside opposition leaders Zyuganov, Lapshin, and Zhirinovskiy. The voter, who does not want to be deceived again in December, has food for thought there.

Voters Seek 'Russianness,' 'Creativeness' in Leaders

MM2010120995 Moscow SOVETSKAYA ROSSIYA in Russian 19 Oct 95 p 4

[Article by Doctor of Historical Sciences Sergey Vasiltsov and Candidate of Economic Sciences Sergey Obukhov of the Russian Political Culture Research Center, under the "Analysis, Forecasts" rubric: "A Cloud in Trousers. Change in Russian Voters' Leadership Preferences"]

[FBIS Translated Text] The 1995 State Duma election campaign has brought to the surface thousands of people claiming to be elite and special, qualities which they believe entitle them to the opportunity to take a seat in the country's supreme legislative body. The vote on 17 December will clarify everything, of course. However, it may be predicted right now with a certain degree of probability which of them will be supported and which rejected, given that we know the demands the voters make on their likely elected representatives. Hence the editorial office has again asked scientists from the Russian Political Culture Research Center to describe the changes in the demands that Russians are making on their future elected representatives.

It All Began So "Well"

At the end of Gorbachev's "perestroyka" everything looked almost like in the classic textbooks. The system of people's attitudes that had established itself in the country was ready to eulogize the new generation of politicians who were boldly shaking off the "dust" of the past era. A good action program, a sense of responsibility toward the voters, and personal appeal — these were the qualities which according to 60-70 percent of the population (as expressed in the Center's all-Russia representative polls) distinguished the new generation of politicians in the late 80's-early 90's. Those were the kind of people they voted for....

The course of the political struggle seemed to have highlighted another outstanding individual: Boris Nikolayevich Yeltsin. Admittedly, his charisma was only just being formed and was still in the embryonic stage. People were prepared to see in him almost equal quantities of boldness, honesty, and strength of will (20-28 percent for each of these qualities). "Critically minded people are very necessary in the future Supreme Soviet" — this was how up to half of Russians explained the Yeltsin phenomenon in 1989. "Yeltsin is the type of leader the country needs."

Putting it simply, people's world outlook had sunk into a vivid and extremely amorphous emotional-political stew. And it has to be admitted that many politicians even found this situation advantageous at first. The only problem was that it could not last long.

The End of the Day of the Blabbermouth

The shock therapy which infuriated the whole country destroyed many political tendencies which had only just been created by perestroyka. It also sharply changed the people's prevailing views of the role and task of their leaders. The notorious "radical position on every question," which brought to the top those who had succeeded in destroying the Union, suddenly began losing its erstwhile supporters. By the beginning of 1992 (according to the Center's polls) only one-fourth of Russians cited it as the main quality of a politician running for election. An even smaller proportion of Russians (4-5 percent) maintained a respect for and interest in those deputies and state officials who managed to shine by a brilliant speech or a striking newspaper article. The days of the "talking parrot" were clearly coming to an end.

Honesty, sincerity, justice, and most importantly "the ability to put forward and defend your ideas without the blanket repudiation or destruction of everything good and useful that had been done before, the ability to avoid hasty and extreme decisions" — these were the features that more than one-half of our fellow countrymen considered most valuable in politicians at that time.

Peter the Great, Lenin, Stolypin.... Those are the symbolic names which voters continued to use to varying degrees (and in extremely different ways) as a "yardstick" for contemporary politicians, not only in Russia. Polls conducted by our Center at the beginning of 1993 in western Belarus and Ukraine among young people with higher education showed that the same personifications of unity and statehood were paramount there, too, scoring between 20 and 50 percent, whereas symbols of national separatism such as Hetman Mazepa or Stepan Bandera scored 3-5 percent. Having savored sovereignty, young people clearly did not share the official separatist orientations.

Two Tests for a Leader

By the beginning of 1994 another dominant aspect had clearly emerged in the attitudes of the masses: What direct contribution have various politicians made to the defense of the Russian people's interests?

The "Russianness test" undermined the position of many well-known figures in Russia. For example, 16 percent of voters recognized this quality in V. Zhirinovskiy, 10.1 percent in the case of S. Baburin, 7.3 percent in the case of G. Zyuganov, 5.8 percent in the case of A. Rutskoy, only 4 percent in the case of B. Yeltsin, and even fewer — 3.1 percent — in the case of the writer A. Solzhenitsyn. As for members of the government camp, the "Russianness" rating there dwindles to zero.

Ultimately, the two decisive criteria nowadays — the "creativeness test" and the "Russianness test" — quickly undermined almost the entire present "class" of politicians in the public mind. The events of September-October 1993 served as a catalyst identifying many of them as culpable and hardly any of them as in the right.... Most importantly, Yeltsin's new-found "charisma" in the country disintegrated. For almost one half of our fellow countrymen it turned into the firm conviction that the only thing that could be expected from the president henceforth was that he would "surrender first these supporters, then those" in the struggle to retain power.

By the beginning of the present election campaign the voters' attitudes toward the leaders generally had turned into a typical "staring into the void." Instead of a group of "strong" politicians what the public saw coming to the forefront was a "dust cloud" of major and minor leaders of various calibers (for the most part extremely low caliber) with nothing and no one of importance behind them. Virtually all of them received 1-5 percent of the potential vote.

Only an extremely narrow range of politicians, including Zyuganov, Lebed, Zorkin, Chernomyrdin, Nemtsov, and Yavlinskiy, have any chance of winning 8-10 percent of the vote over to their banners.

The mechanism of the emotional-political sublimation of a leader is still operating at the moment. Especially when this is a question of a "new," "fresh" face as yet unsullied in the public consciousness. For example, until as late as summer 1995 the tide of emotions kept Yavlinskiy on top. Then he was replaced by General Lebed. By all accounts he will not be at the top long — someone else is already preparing to replace him. What can you do: A leader's political success which includes elements of emotion is becoming increasingly short lived. The time of the parties is approaching....

On the whole then there is a stalemate in the political sphere. A country which has already seen through its leaders loses the last of its social bearings: all the political "cats" become "gray"....

However, there seems to be a way out. This torpor suffocating the country must be broken by an external force — either you must adopt the formula of collective leadership or adopt someone who is formally speaking an "outsider" as the all-Russia leader. That is the option suggested by the results of the Center's latest poll conducted in September. Its results were most unexpected. A relative majority of Russians (31 percent) would vote for the present Belarusian president Lukashenka were he to run in the Russian elections. Clearly as far as the Russian voters are concerned he has passed the tests of "Russianness" and "creativeness" (he is not letting his republic be plundered and is dedicated to the idea of Slav unity).

It seems that as the Russian "leader phenomenon" nears the end of its life it has provided the first indication of the main direction our country's political development might take in the near future. The crisis can be overcome only by a breakthrough into the vast historic and geopolitical "cosmos" of the great Russian state.

ITAR-TASS Carries Press Review for 20 Oct

LD2010074395 Moscow ITAR-TASS in English 0734 GMT 20 Oct 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW October 20 (Itar-Tass) — KRASNAYA ZVEZDA on a search for compromises in the Chechnya peace process.

The newspaper points out that, although all people there want peace, it seems to be far away as never before because the sides involved in the conflict adhere to mutually exclusive points of view on terms and circumstances for the establishment of peace in Chechnya.

However, the comparison and running-in of their positions may take many months if not years. Russia will not be able to endure such a situation for long. "The question is how and where one can find a person who posing as a political referee would suit everyone?" the newspaper asks.

IZVESTIYA on the recent flight of the Maltese-flagged cargo ship from the port of Novorossiisk.

"It is possible to unlawfully ship everything from Russia, from timber to a bomb," the newspaper asserts in an article about a new turn and new circumstances in the story about the recent flight of the Maltese-flagged cargo ship Albeli-1 from the port of Novorossiisk. Russian border guards are known to have failed to stop the fugitive ship which, as it turned out, carried stolen timber priced at 600,000 U.S. dollars.

Russian officials still remain undecided and have not done anything so far to uphold the prestige of the State and retrieve the stolen merchandise.

"A dangerous precedent has been created, which may bolster up the illusion of unscrupulous businessmen that Russia's border is far from being closely guarded," the newspaper observes.

ROSSIYSKAYA GAZETA on planned measures to ensure economic independence and freedom of radio and television networks.

An All-Russia meeting of regional state-run television and radio networks was held in Moscow from October 16 to 18. The meeting was attended by the country's top leaders. Prime Minister Viktor Cheenomyrdin said in his remarks that the government was preparing a special resolution in development of the Presidential Decree "On Improvements in the Radio and Television Broadcasting in the Russian Federation".

In an article headlined "There is No Policy Without Television", the newspaper points out that a number of measures are expected to be taken to give material support to radio and television networks to ensure the necessary economic independence and freedom for them.

ROSSIYSKAYA GAZETA runs a new Instruction "On a Procedure and Terms for the Realisation of the Rights and Privileges of the Veterans of World War II, and of Combat Operations on the Territories of Other States, and Other Categories of Citizens Stipulated by the Federal Law 'On Veterans'".

State Duma Member Valentin Lednev points out in comment on the Instruction that all those, who were recognised as war veterans way back in 1978 should bring their certificates to Enlistment Offices where the certificates should be stamped to certify that the bearer has the right to privileges listed in Article 15 of the Federal Law 'On Veterans'. However, the Instruction does not apply to some other categories of veterans, to veteran workers, in particular.

ROSSIYSKAYA GAZETA on the development of a psychotronic generator.

Specialists at the State-run research and production enterprise Delta have designed a psychotronic generator which is capable of bending the mind by means of acoustic waves. The newspaper's news analyst Albert Valentinov, in an article headlined "A secret signal to suicide" sought to have a look behind the stages of research and find out the extent to which the psychotronic generator is hazardous to people.

ROSSIYSKIYE VESTI on the position of Russian citizens in Uzbekistan.

The newspaper's correspondent has visited Uzbekistan, which politicians refer to as a stable country, and could see for herself that Russian citizens there have such acute problems and their situations are so tragic at times that even the Russian Embassy cannot resolve them, although the Embassy still remains the only source for the protection of people who found themselves to be foreigners in their own land.

TRUD on corruption instances in law enforcement agencies.

Russian Interior Minister Anatoliy Kulikov, in answer to readers' questions, reported that over eigth months of the current year criminal proceedings were instituted in 508 cases against members of personnel of law enforcement agencies on charges of corruption.

A particularly unfavourable state of affairs in this respect has developed among traffic police, the Minister pointed out, mentioning extortions from motorists, bribe-takings for the concealment of traffic offences, for the passing of driving exams, etc.

When speaking about the lack of control over the sources of incomes of population, Kulikov pleaded the lack of respective laws.

Yeltsin: Kozyrev Could Be Helped by Deputy Minister

LD2010101095 Moscow Russian Public Television First Channel Network in Russian 0900 GMT 20 Oct 95

[From the "Novosti" newscast]

[FBIS Translated Text] Today, Russian President Boris Yeltsin left Moscow for Paris. Before his departure the president met journalists at Vnukovo airport. Yeltsin stated that an accord on a settlement in the former Yugoslavia may become a result of his forthcoming talks in Paris. There are joint proposals that Russia and France could back.

The president also reported that Andrey Kozyrev remains in the post of foreign minister.

[Begin Yeltsin recording] The thing is that...what is Kozyrev lacking? He is lacking a man — he alone is not sufficient as he is always on the move — who would manage the apparatus of the ministry itself? He has 3,000 staff members. There is no one to deal with the administration, and he himself is not able to deal with it. He is showing up badly on discipline, order, and so on and so forth. He needs a capable deputy. When I was talking about strengthening the personnel [of the Russian Foreign Ministry], I did not necessarily have the minister in mind. It may be sufficient to select a good deputy minister, and this problem could be resolved. [end recording]

Kokoshin Seen Among Possible Replacements

MM1910155995 Moscow KOMSOMOLSKAYA PRAVDA in Russian 19 Oct 95 p 3

[Interview with Federation Council Deputy Chairman Anatoliy Dolgolaptev by Nikolay Dolgopolov; place and date not given: "Guys From NATO Are Rude" — first paragraph is introduction]

[FBIS Translated Text] For several years now Federation Council Deputy Chairman Anatoliy Dolgolaptev has been studying problems of Russian relations with NATO. The other day he returned from the North Atlantic Assembly in Turin. Our delegation head was in a resolute mood:

[Dolgolaptev] Like certain other East European states, we are an associate member of this parliamentary organization of NATO countries. But the things I heard at the session. That Russia is not an European country, but apparently an Asian one. And there was a statement by Secretary General Claes that verged on rudeness: In his view, the fears of NATO felt by our people and politicians are irrational. He totally denies us logic and the right to an independent position. In my view, some of our former friends have completely lost any sense of historical perspective. Poland, Romania, and the Baltic states. They engage in petty sniping in situations where solutions could be found — including solutions to their advantage. Whatever difficulties Russia may experience — both internally and in relations with the outside world — it is perfectly obvious that they will necessarily have to collaborate with our country always!

[Dolgopolov] Has NATO's function changed sharply in recent months and even weeks?

[Dolgolaptev] That is obvious to everyone — supporters and opponents. The world has gradually arrived at a single-bloc system which is happy to undertake any tasks. Unfortunately, the punitive function is becoming dominant. And the formal collaboration with us on which such hopes were pinned has not taken place. On the contrary, everybody can see the result: a still deeper split, and less and less account is being taken of us. Russia is being squeezed in every sphere — from fishing to Bosnia, we are on the retreat everywhere.

[Dolgopolov] There is no more belief in a panacea or in a messiah who would succeed Kozyrev and change everything.

[Dolgolaptev] What has a messiah got to do with this? We will be able to extricate ourselves only by truly following national Russian interests. The distinctive cultural path of Russian civilization is the main resource before us. We must utilize our intellectual potential and our scientific and technical potential, which has still not been totally expended. An economy based on the highest level of technology stems from this. And finally, we simply must be helped by the correct use of our natural resources. Incidentally, I had to remind Claes that Russia has known raw material reserves worth $90 trillion. And a further $140 trillion of forecast resources. And that is 90 percent of consumption in the Western world — so it is clear what Russia has to defend and from whom. All the same, I want to inject a note of calm into our conversation. Ultimately it is not the diplomatic ruses of foreign ministers that make policy in the world, but the wings of MIG's, the turrets of T-80 tanks, "Black Sharks," and "Topol" strategic missiles.

[Dolgopolov] Do you expect sweeping changes in the skyscraper on Smolenskaya Square [Foreign Ministry]?

[Dolgolaptev] I am not alone. Adamishin, Kokoshin, Lukin.... I would put the contenders for the ministerial portfolio in that strictly alphabetical order.

[Dolgopolov] According to our information, the post will be filled by someone who does not feature in your list. But let us go back to the Bosnia crisis. What do you see as the solution?

[Dolgolaptev] I am sure that a politician as strong as Yeltsin is capable of making exceptionally serious changes in all spheres. Including Bosnia, of course. It is extremely important to ensure that not NATO diktat, but a dual-key system exists in the peacekeeping forces in the Balkans. A system whereby any decision is made only if there is an agreed decision by the two sides — NATO and Russia. It would be sensible to introduce joint command of these troops by Russia and NATO. This would be a specific way of bringing about real collaboration in a real extremely complex situation to the benefit of everyone.

Karasin Discloses Yeltsin's Schedule in France

LD1910171995 Moscow ITAR-TASS World Service in Russian 1325 GMT 19 Oct 95

[By ITAR-TASS diplomatic correspondent Valeriy Sevryukov]

[FBIS Transcribed Text] Moscow, 19 Oct (ITAR-TASS) — On his way to New York, President of the Russian Federation Boris Yeltsin will stop over in Paris on 20-21 October at the invitation of French head of state Jacques Chirac. Some details of his schedule for this visit were released today by Russian foreign ministry spokesman Grigoriy Karasin.

On Friday [20 October] the Russian and French presidents will hold talks, which the following day will be continued with the full delegations present, the foreign ministry spokesman said.

According to Grigoriy Karasin, the heads of state will focus on ways to strengthen Russian-French interaction in bolstering European security, creating an overall and all-embracing security model, resolving the crisis in the former Yugoslavia, and preparing the "G8" summit in Moscow on nuclear safety issues. Bilateral relations, more active cooperation in various fields, including trade and economic, will also be looked at.

Russian Minister of Foreign Affairs Andrey Kozyrev will also hold talks with his French counterpart, Herve de Charette de la Contrie.

'Serious Talks' Planned for Yeltsin's UN Trip

MM2010092595 Moscow ROSSIYSKIYE VESTI in Russian 20 Oct 95 p 2

[Report by Ilya Baranikas: "UN Anniversary Not Only Holiday But Excuse for Serious Talks"]

[FBIS Translated Text] New York — The anniversary sessions of the UN General Assembly open Sunday at UN Headquarters in New York. Heads of state and government from 184 countries will be taking part. Russian Federation President Boris Yeltsin will be speaking on day one of the ceremonial sessions.

The anniversary session of the UN General Assembly, timed to coincide with the 50th anniversary of the world community of nations, will be an oratorical marathon. Over the course of three days — 22, 23, and 24 October — the leaders of states large and small, representing virtually the entire political map of the world, will speak from the rostrum. The sessions will be opened by UN Secretary General Butrus Butrus-Ghali, and this will be followed by a greetings message from Bill Clinton — the president of the country on whose territory the UN Headquarters is situated. Leaders of other countries will then take the rostrum in the following order after having drawn lots — Ukraine, Jordan, Sri Lanka, Namibia, Zambia, Georgia, Turkey, San Marino, Estonia, the Republic of Korea (better known as South Korea), Croatia, the Russian Federation, Cuba, and so forth. Russian President Boris Yeltsin's speech will thus be in the first half of day one.

That day Boris Yeltsin will also lunch at UN Headquarters as a guest of UN Secretary General Butrus-Ghali and then have dinner as a guest of the U.S. President. Bill Clinton will receive his important guests at the New York Central Public Library. But the Russian head of state's visit will also be primarily hard work for Boris Yeltsin and the accompanying delegation, rather than a round of dinner engagements — there will be some serious talks held.

The world in which the United Nations is today trying to implement its coordinating, peacemaking, and humanitarian activity has become immeasurably more complicated than it was a few years ago, when there were two poles — the USSR and the United States — which each kept control of their own sphere of influence. The number of armed conflicts has multiplied and it is hard for the great powers to define their role in the new system of international relations. Although the period of East-West confrontation is behind us, the old watershed is still very tangible.

"It seems as though relations between Russia and the West reached their nadir during the Cold War," America's BALTIMORE SUN wrote. Russia is concerned about strikes by NATO air power against the Bosnian Serbs, U.S. claims to sole world leadership, and the plans to expand NATO eastward. The United States and its allies on all sides are voicing concern about Russia's sale of nuclear reactors to Iran, the continuing crisis in Chechnya, and Russia's "new friendship" with Cuba, North Korea, Iraq, Syria, and so forth.

It is quite obvious that it would be disadvantageous for the United States to see a resurgence of a very powerful rival in the shape of a new union of former Soviet republics — consequently, the United States is supporting the pro-Western tendency in Ukrainian foreign policy in every way, trying to oust Russia from projects linked to the new oil fields in the Caspian, and so forth. Russia, for entirely understandable reasons, does not want to settle for the role of just another country on the territory of the former USSR. Much less does it want to be a country controlled by Washington. Russia is prepared, for instance, to provide forces to take part in a peacekeeping mission in Bosnia, but it does not agree to provide them under NATO command — on which the United States is insisting.

But it would be wrong to paint a purely bleak picture of Russo-U.S. relations. So far the U.S. and Russian presidents have managed to reach sensible compromises — for instance, Bill Clinton traveled this May to Moscow to the celebrations marking the 50th anniversary of victory to maintain and continue the dialogue with Russia. He did this in spite of the war in Chechnya and the objections to the visit from U.S. lawmakers. For its part, the Russian leadership has stopped active military operations in Chechnya, which were the main reason for the cooling of relations at the start of the year. Western aid to Russia has not been halted. NATO has postponed its plans to expand its military-political alliance at least until early 1997. U.S.-Russian cooperation is developing successfully in various spheres of the economy, science, and technology. Here is just one example — the U.S. shuttle Atlantis is due to rendezvous for a second time with the Russian Mir orbiter in November.

...Leaders of the world community's countries will be speaking from the UN rostrum about difficult problems, each of which entirely merits the description of "crisis" — the environmental crisis, the overpopulation crisis in "third world" countries, the food crisis, the crisis in the system of international relations, and, finally, the financial crisis which the United Nations is experiencing. But the speeches by the presidents and premiers will also voice optimism — after all, very often things that cannot be achieved alone can be accomplished through joint efforts (that was why the United Nations was set up half a century ago).

New York is paying its respects to the United Nations — the other day the flags of all 184 UN members were hoisted outside Grand Central Station to the sounds of their national anthems. This has become the beginning of a large-scale project to improve all of 43d Street, where Grand Central Station is located and which leads to UN Headquarters. Once the improvements to the street have been completed, it will be ceremonially renamed United Nations Way.

Russia Will Not Participate in NATO Bosnia Force

LD1910180295 Moscow ITAR-TASS in English 1646 GMT 19 Oct 95

[By Andrey Naryshkin]

[FBIS Transcribed Text] ZAGREB, October 19 (ITAR-TASS) — The Participation in the multinational peace force for Bosnia "within the NATO" basis is unacceptable for Russia, Russian First Deputy Foreign Minister Igor Ivanov said here today.

"We won't take part in such an operation. We are ready to cooperate on an equality basis which might be formulated as 'with NATO'," Ivanov said.

How that formula could translate in practice Ivanov could not say as "the approach of that kind is being worked out for the first time now."

Ivanov said the issue of the multinational force is being handled at political, military, multilateral and bilateral levels.

Russian experts held consultations with French, British and U.S. delegations, and are taking part in the planning of the military dimension of the peace policing operation at the NATO headquarters.

One of uncertainties is where the multinational force will be deployed, Ivanov said.

The Bosnian government proposed that the force be stationed both along the partition lines and around Bosnia's external borders.

The government also wants the international mediators to ensure elections within Bosnia with assistance from the peace implementation force.

The talks on Bosnia will be inconclusive until specific tasks and size of the multinational force are defined with certainty, Ivanov said.

Russia Agrees One Commander in Bosnia, Not NATO

LD2010103095 Moscow ITAR-TASS in English 0952 GMT 20 Oct 95

[By Aleksandr Mineyev]

[FBIS Transcribed Text] BRUSSELS October 20 (ITAR-TASS) — Russia may agree that the international peace-keeping force in Bosnia acts under the command of a U.S. or another western representative, but not a NATO military, according to the Russian envoy who discusses the future operation at the NATO Supreme Allied Headquarters in Mons in Belgium.

"If Russia participates in the operation, and everybody realises such a necessity, there should be an international coordinating body", Colonel General Leontiy Shevtsov, who heads the delegation of the Russian General Headquarters, told TASS Friday.

"We do not doubt the principle of a single commander: The operation of international forces should be ensured by an international command. One man should be in command — from the U.S., Canada or any other country, but not in capacity of a NATO chief. He can have deputies for the Russian and other contingents. But the main thing is that those are international forces under the UN aegis", Shevtsov said.

"The NATO Council cannot conduct political control over a Russian division. We shall not participate in a NATO operation", he stressed.

According to Shevtsov, Russia planned to participate in the operation either by a reinforced airborne division in its own sector in Bosnia or by two or three regiments in a joint sector with another country.

On Thursday President Boris Yeltsin said in Moscow that sending a division to Bosnia was too expensive and Russia may add two regiments to the already deployed battalion there.

"If the delimitation line between the Bosnian sides is shorter than expected, the Russian military are ready to work with two-three regiments in one sector together with another country", Shevtsov said.

He admitted that talks in NATO headquarters are difficult also because this is the first such experience of cooperation. "There is no precedent of joint planning of operations between NATO countries, Russia and other states and therefore things are going on difficultly. So far we have neither political nor military-technical experience", Shevtsov said.

"It is necessary to build such a mechanism of security in Europe which would truly work and worthily represent all participants. If we want partnership, we should be partners in reality and not in theory", Shevtsov said.

FRY, Croatian, Bosnian Leaders Not Meeting in Moscow

LD1910175695 Moscow INTERFAX in English 1708 GMT 19 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 19 (INTERFAX) — Russia's Foreign Ministry denied news reports that the presidents of Yugoslavia, Croatia and Bosnia-Herzegovina will come to Moscow and confer with President Boris Yeltsin on October 30, the day before their talks to be held in the U.S..

"The Moscow round is not likely to take place for purely technical reasons: the leader of one of the three republics is not in a position to come to Russia's capital on October 30," said a Foreign Ministry source.

Nevertheless he believes that one round of talks between the presidents of Yugoslavia, Croatia and Bosnia-Herzegovina might be held in Moscow.

A major goal of the present trip to the Balkans by First Deputy Foreign Minister Igor Ivanov, who joined Deputy Secretary of State Richard Holbrooke and the Cochairman of the International Conference for the former Yugoslavia Karl Bildt, is to secure the conflicting sides' consent to take part in the Moscow round, the diplomat said.

This material appears in more detail in today's edition of INTERFAX's Diplomatic Panorama.

Ivanov, Stoltenberg Meet Croatian President in Zagreb

LD1910152395 Moscow ITAR-TASS in English 1446 GMT 19 Oct 95

[By Andrey Naryshkin]

[FBIS Transcribed Text] ZAGREB, October 19 (ITAR-TASS) — International mediators — Russian First Deputy Foreign Minister Igor Ivanov and U.S. Assistant Secretary of State Richard Holbrooke — made their first joint mission in the Balkans to the Croatian capital.

The high-ranking diplomats preparing one of the decisive stages of the negotiations of the warring sides, to be held in Ohio, the U.S., had a meeting with Croatian leader Franjo Tudjman on Thursday.

The Situation in East Slavonia, the Croat region controlled by Krajina Serbs is one of the key topics of the talks, Igor Ivanov told ITAR-TASS before the beginning of the consultations.

The representatives of Russia and the United States intend to show to the Croat leadership that they speak the same language, the language of peace. "We are anxious over East Slavonian problem as the memory is fresh of the events in Krajina and we would not like to see their repetition. The Contact Group is united in the opinion that a peace solution will open the way for the normalisation of the Serb-Croat relations and mutual recognition of Belgrade and Zagreb. Naturally, there is a need to guarantee respect for the rights of the Serb population and active participation of various international organisations as observers and guarantors of agreements being worked out," Ivanov said.

A kind of a smaller contact group to deal with the East Slavonian problem is now being set up under the presidency of international mediator Thorvald Stoltenberg. The group will naturally include a Russian diplomat.

Asked whether the international community may resort to power pressure regarding Zagreb which favours military solution of territorial problems, Ivanov said that at a given stage the international community is exerting political influence in the United Nations framework and on a unilateral basis.

Ivanov said the negotiations in Ohio to be held on October 31 will have a preparatory nature. No documents are planned to be signed there, although their drafting will begin. There is a need for compromise on a number of important problems, including principles of the constitutional structure of Bosnia and Herzegovina, territorial delimitation between the Moslem-Croat federation and the Bosnian Serb republic, coordinated approach to holding the election and dealing with intricate humanitarian problems and, finally, economic revival of the war-ravaged region.

On Friday afternoon, the Russian deputy foreign minister plans to have another round of negotiations with Serbian President Slobodan Milosevic in Belgrade and will apparently meet representatives of Bosnian Serbs there.

General Zhurbenko Interviewed on Return From Bosnia

MK2010114095 Moscow MOSKOVSKAYA PRAVDA in Russian 18 Oct 95 p 10

[Interview with Colonel General Vladimir M. Zhurbenko, first deputy chief of the General Staff of the Russian Federation Armed Forces, by Aleksandr Sokolov; place and date not given: "How Can the Sarajevo Knot Be Cut?" — first three paragraphs are introduction]

[FBIS Translated Text] Autumn has painted the world not only with crimson leaves but also with the thick color of military camouflage. War. There is war at the gates, in the country, and in the world. Organized crime has started its fall offensive, the situation in Chechnya has become aggravated, the land of Bosnia has been blown up under the thunder of NATO's bombardments.

A group of experts of the Russian Federation Defense Ministry has come back from their trip to the Balkans. It was headed by Colonel General Vladimir Mikhaylovich Zhurbenko, first deputy chief of the General Staff of the Russian Federation Armed Forces. This was the first trip of the Russian military since the beginning of the conflict in the Balkans. Col. Gen. V.M. Zhurbenko has given an exclusive interview to MOYA GAZETA [weekly supplement to MOSKOVSKAYA PRAVDA]:

[Sokolov] Many Russian politicians have been to Bosnia, to Slovenia. Has the time now come for the military? What were the aims and objectives of your trip to the Balkans?

[Zhurbenko] For a week a group of military experts studied the situation in the former Yugoslavia. The aim of our work was to give a real assessment of the situation in the Federal Republic of Yugoslavia, Bosnia-Herzegovina, and the remnants of the Republic of Serb Krajina; to coordinate military and political issues with the leaders of the above republics; to assess the consequences of the latest NATO's air strikes on the Bosnian Serb positions; and to examine the situation with the deployment of our peacekeeping battalions, which are stationed now in the Sarajevo and Eastern sectors. The main goal was to investigate the possibility of drawing our troops into a peacekeeping operation by multinational forces. There have been a lot of meetings, trips to front-line areas, flights....

[Sokolov] What are your impressions?

[Zhurbenko] A la guerre comme a la guerre. There is no room for positive emotions. Dead cities and villages, long lines of refugees, overcrowded hospitals, pain, and the suffering of many thousands of people. The UN-imposed restrictions and sanctions have further aggravated the disastrous economic situation of the country and the people. Nothing can be brought into and taken out of the country. For instance, there are some surplus agricultural products, but they may not be exchanged for fuel, which the conflicting sides are badly in need of.

As for the armed forces, the army of the Federal Republic of Yugoslavia is capable of performing combat tasks. At the same time, it should be noted that the embargo on arms supply does allow for technical upgrades. The army is mainly outfitted with obsolete Soviet-made equipment dating back to World War II and postwar times. The percentage of modern equipment is so negligible that it cannot have any decisive effect on combat readiness and effectiveness. At the same time, the Croats are being armed with more up-to-date equipment. Germany is supplying them with our equipment, inherited from the former GDR. The wish of the Serb leaders to settle the conflict by political means is, therefore, quite understandable.

[Sokolov] You visited the positions of the Bosnian Serbs immediately after NATO's air strikes. How accurate were they?

[Zhurbenko] The impressions vary. Whereas missile strikes indeed hit military targets, one cannot say this about the air raids. We saw a map of a U.S. pilot shot down by the Serbs. Incidentally, for some reason, the Americans are not saying much about this. The map clearly shows NATO units and targets to be struck by NATO aircraft. As an expert, I must say that the choice of bombing targets was not very good. For the most part, general-purpose civilian targets were hit. For instance, the map shows an old storehouse for food supplies. It has long stopped being used for this purpose, and the existing facilities were prepared for housing of refugees, and this was where they actually lived. Well, for five days massive air strikes were delivered precisely against this body of people. Storehouses with food supplies, material goods, and facilities prepared to house refugees were bombed.... As a result, there were casualties among civilians, and vitally important installations were ruined. At the same time, however, the morale of the people was not broken. I met with the civilian population, wounded soldiers in hospitals.... All of them are united in their determination to fight for the independence of their country.

[Sokolov] A lot has been said and written about the origin of the conflict. Politicians have been sitting at the negotiating table for several years now. The war, however, continues, people keep on dying, the economy is falling into decay, and international ties are being broken. Is there a way to settle this situation of bloodshed? How should this be done, in the opinion of the military?

[Zhurbenko] My firm belief is that borders of small and large states should be defined by the boundaries of the ethnic habitation of peoples. The violation of this principle always leads to bloody atrocities. This caused the war between Azerbaijan and Armenia; the same reason underlies the Balkan crisis.

The world community is pinning great hopes on NATO's peacekeeping action. The thing is, however, that Russia cannot keep aloof from this process. Yes, as I said earlier, two of our peacekeeping battalions are being stationed in the Sarajevo and Eastern sectors, but this is far from being sufficient. Since the peacekeeping operation in Bosnia-Herzegovina is entering a new stage, the Bosnian Serb leaders fear that NATO troops, if they are stationed on the Serb Republic's territory, will be used for the complete disarmament of their army and will not take the necessary measures to defend the Serb population and the sovereignty of Serbia against possible forcible actions on the part of the Muslim-Croat federation. All of this could lead to acute situations and disrupt the settlement of the Bosnian conflict. Therefore, leaders of the Bosnian Serbs find that the most suitable alternative is the deployment on their territory of contingents of the armed forces of the Russian Federation, Greece, and other countries that took an objective stand on the Bosnian issue at previous stages of its settlement.

[Sokolov] Will the separation of peacekeeping forces and stationing them at the positions of the conflicting sides not lead to a confrontation between NATO and the Russian Armed Forces?

[Zhurbenko] We should be guided here exclusively by the UN Charter. Both NATO and the Russian side are bound to observe it. We must stand in the safety strip established by the United Nations, and not let any armed formations of the conflicting sides in.

To plan a peacekeeping operation of the Russian Armed Forces, a group headed by Colonel General L.P. Shevtsov, first deputy chief of the Main Operations Directorate of the General Staff, is to visit NATO headquarters. Decisions will be made jointly with all representatives of the armed forces of countries taking part in the peacekeeping mission in the Balkans. After such planning, we can talk about the timing of this operation and the size of the Russian peacekeeping contingent. The main condition for conducting peacekeeping operation, however, remains the need to cease fire on both sides.

Russia has always had its own interests in the Balkans. Our duty, therefore, is to retain our influence there. [end of interview]

An autumn wind was blowing maple leaves along Vozdvizhenka Street. People were passing by hurriedly, busy with their own problems. And there was war somewhere.

Moscow Files Requests for Fuel Supply to URY

LD2010092595 Moscow ITAR-TASS in English 0902 GMT 20 Oct 95

[By Boris Sitnikov]

[FBIS Transcribed Text] UNITED NATIONS October 20 (ITAR-TASS) — At a regular meeting of the U.N. Sanctions Committee on Thursday [19 October], the Russian Federation officially filed two requests for the delivery of 28,000 tonnes of fuel to the United Republic of Yugoslavia (URY) [as received] for humanitarian purposes.

About 5,000 tonnes of fuel are to be delivered through the channels of the Office of the U.N. High Commissioner for Refugees. The first batch of 400 tonnes of fuel is to be supplied this month.

The second request envisages the delivery of 23,000 tonnes of petroleum and fuel oil for the heating of humanitarian facilities in Montenegro. A Russian representative laid emphasis on the acutest problem connected with the lot of hundreds of thousands of refugees, who have been displaced as a result of the recent offensive operations by the Croatian army against the Serbian Krajina and combat operations in Bosnia.

The Russian delegation stated that it proceeds from the assumption that there are now all grounds for taking a decision without delay to lift the sanctions imposed against the URY and the Bosnian Serbs, which would be the international community's adequate reaction to the current situation and would create prerequisites for a further development of the peace process.

Zhirinovskiy: Early End to Balkans 'Bloodbath'

LD2010133095 Moscow ITAR-TASS in English
1319 GMT 20 Oct 95

[By Ivan Ivanov]

[FBIS Transcribed Text] BELGRADE, October 20 (ITAR-TASS) — LDPR [Liberal-Democratic Party of Russia] leader Vladimir Zhirinovskiy today arrived for a three-day visit to Yugoslavia in order to try and "strengthen the spirit of the Slavs" in Yugoslavia and inter-party ties between the Liberal-Democratic Party of Russia and the Serb Radical Party.

At Belgrade airport, the LDPR leader told reporters that "the bloodbath in the Balkans will soon come to an end and the guilty parties will be exemplarily punished."

Zhirinovsky was sharply critical of President of Croatia Franjo Tudjman and condemned NATO's intervention in the Balkan crisis.

Serb radical leader Vojislav Sesel, who welcomed Zhirinovskiy at the airport, declared that he was looking not only to the deepening of inter-arty cooperation as a result of LDPR leader's visit: "His arrival must inspire the Serb people."

Sesel said Belgrade authorities prohibited all three meetings with the participation of Zhirinovskiy which were to be held in the capital and other Serb cities.

On Saturday, Zhirinovskiy is scheduled to meet the leaders of the Bosnian Serbs on the border between the Union Republic of Yugoslavia and Bosnia.

Zhirinovskiy To Visit 'Aryans of Asia' in China

LD1910105995 Moscow ITAR-TASS in English
1036 GMT 19 Oct 95

[By Andrey Kirillov]

[FBIS Transcribed Text] MOSCOW October 19 (ITAR-TASS) — Russian nationalist leader Vladimir Zhirinovskiy will pay a visit to China in the end of October and a spokesman of his Liberal Democratic party (LDPR) told TASS Thursday that "the LDPR has the most serious intentions regarding China".

"The Chinese are the Aryans of Asia. We can spit on and forget the United States, but not China", Viktor Filatov said.

"China for us is another nuclear bomb against all our enemies", he stressed adding that Zhirinovskiy will hold meetings in Beijing "at the best level".

Filatov said Zhirinovskiy will go to Beijing on October 22-27.

A spokesman of the Chinese embassy in Moscow confirmed to TASS that the LDPR leader was invited to visit the country, but said the concrete date of the visit is to be specified in the near future.

Party Leader Skokov's Visit to China Not 'Secret'

LD1910214795 Moscow INTERFAX in English
1907 GMT 19 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 19 (INTERFAX) — Congress of Russian Communities [CRC] leader Yuriy Skokov's visit to China, which began on October 16, is not "secret" and has not been coordinated with the Kremlin in any way, the CRC press service said.

A CRC press service statement received by INTERFAX today denies media reports about Skokov's "secret" visit to China and his "secret meetings with the Chinese authorities."

It dismissed as ill-founded "some media attempts" to present the Congress of Russian Communities as a "tame opposition" party which coordinates its actions with the Kremlin in advance.

The same source said Skokov himself had recently refuted repeated allegations of working meetings with Russian President Boris Yeltsin.

"The Congress of Russian Communities' stand regarding the present government is determined by the fact that the CRC considers the government's policy suicidal for Russia," the same source said.

The Congress of Russian Communities insists on changing not only the economic policy but also the Cabinet itself. The CRC press service dismissed as ridiculous "attempts" to present the CRC as a "secret buttress of the present authorities" and "to prove its links with the 'top.'"

U.S. Computer Export Controls Seen As Discriminatory

LD1910194095 Moscow ITAR-TASS in English 1911 GMT 19 Oct 95

[FBIS Transcribed Text] MOSCOW, October 19 (ITAR-TASS) — New rules for computer export control adopted in the U.S. a few days ago lift some of earlier bans, yet leave in place numerous restrictions for some states, including Russia, Foreign Ministry spokesman Grigoriy Karasin told a briefing today.

Moscow is surprised that the new rules, which reason suggests should take account of new principles of partnership, leave Russia on the list of states to which stringent export restrictions still apply, Karasin said.

Moscow cannot overlook the fact that Russia is the only member state of the new export control forum to remain on the discriminating list, he continued.

Russia sees this approach of Washington as contradicting genuine partnership and U.S.' earlier vows to "clear the ruins of the Cold War" which barred mutually beneficial cooperation in high-technology fields, including computers and communications.

Moscow would be compelled to reconsider its cooperation with the U.S. in those fields unless the discriminating rules are corrected, Karasin said.

Peacekeeper Regiment Departs for Exercises in U.S.

LD2010084395 Moscow Radio Rossii Network in Russian 1800 GMT 19 Oct 95

[FBIS Translated Text] The subunits of the 27th Motorized Rifle Guards Division are departing today to take part in the Russian-American command-staff exercises for peacekeeping forces. Svetlana Zhdanova, our correspondent in Samara, reports.

[Zhdanova] Last summer, joint exercises of the peacekeeping forces were held on the territory of the Totskoye garrison of the Volga military district, in accordance with the Geneva agreements between the Russian and U.S. defense ministers. Now, it is the Russian side's turn to pay a visit. Fort Riley, Kansas, will be the site of the joint Russian-American peacekeeping forces' command-staff exercises on 23 October. For the first time, the Russian military will step on the soil of faraway America. Subunits of the 27th Motor Rifle Guards Division lead by their commander, Colonel Gennadiy Averyanov, are departing today in the IL-86 transport plane, via the Far East and Alaska. The 433th regiment named after Don Cossacks will take part in the maneuvers. The Volga military district press center reported that the number of our soldiers and officers — 153 men — is equal to that of the American servicemen who took part in the maneuvers on Russian territory. This circumstance will not affect the "combat readiness" — if such a term is applicable to a peacekeeping force — of the division as a whole. Today, 1,443 servicemen of the 27th Guards Division are deployed in the Vedeno gorge in Chechnya, 600 servicemen in the Dniester region, and 570 in Abkhazia. Colonel General Vladimir Semenov, the chief commander of the land forces, and Col. Gen. Anatoliy Sergeyev, commander of the Volga military district, who came down specially to see our peacekeepers off, wished them good luck at the American testing range. Well, we too wish our boys to preserve and maybe reinforce the firm impression they made on the Americans last year on their home ground.

Customs Seizes Kazakh Weapons Bound for North Korea

LD2010104295 Moscow ITAR-TASS in English 1011 GMT 20 Oct 95

[By Evgeniya Lents]

[FBIS Transcribed Text] VLADIVOSTOK October 20 (ITAR-TASS) — A train loaded with military equipment and weapons in transit from Kazakhstan to North Korea was detained by Russian customs officers at the Kraskino checkpoint on the border with North Korea, customs officers told TASS Friday.

Vitaliy Kirsanov, deputy head of the Far Eastern customs department said the train was "crammed with various weapons" from anti-aircraft guns and cannons to catridges and large-caliber shells.

He added that the train was stopped because there were no documents allowing to take the dangerous cargo out.

"A special task unit, including customs officers and border guards, left for the checkpoint to investigate the inadequate situation", Kirsanov said.

Karasin: Russia Alarmed by Palestinian Deportations

LD1910195095 Moscow INTERFAX in English 1915 GMT 19 Oct 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Oct 19 (INTERFAX) — [Russian Foreign Ministry Spokesman]

Karasin said that Russia is alarmed by reports of mass deportation of Palestinians from Libya.

He said the deportation does not help the Palestinian National Administration that is working to build the Palestinian autonomy.

He hoped that the acute problem would find a positive solution.

On the situation in Southern Lebanon where clashes continue between Muslim resistance militants and Israeli troops Karasin said: "The situation that can further worsen clearly runs counter to the growing efforts to advance the peace process in the Middle East. In these conditions it is extremely important that all sides in southern Lebanon would demonstrate restraint and common sense, a due sense of responsibility for the consequences of their actions."

Moscow proceeds from the assumption that the break in the Lebanese-Israeli and Syrian-Israeli directions of the Mideastern settlement should not be filled by new outbursts of armed confrontation.

Karasin confirmed Russia's loyalty to U.N. Security Council Resolution 425 on Lebanon. "In the future the territorial integrity and sovereignty of Lebanon should be reliably guarded and the security of the northern borders of Israel must be guaranteed," he said.

Karasin: Turks Cooperated With Russia Over Albeli-1

LD1910212595 Moscow INTERFAX in English 1914 GMT 19 Oct 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Oct 19 (INTERFAX) — Russian Foreign Ministry Spokesman Grigoriy Karasin said that in the incident with the Albeli-1 ship the Turkish side clearly demonstrated its intention to cooperate with Russia and used all the means available to it under the international law.

He recalled that Albeli-1, a sea cargo ship flying the flag of Malta (port of registration — Valletta, displacement — 4,000 tonnes, crew — 18 people) which stood on the outer roadstead of the Novorossiisk port with a cargo of wood and paper, weighed anchor and left the port without paying customs duties and without the required authorization of Russian customs and border officials. The ship would not stop at the requests of the Russian side.

After the Russian Foreign Ministry asked Turkey to detain the ship and hand her over to the Russian side for investigation, Turkish authorities detained Albeli-1 three times for a total of 60 hours and thoroughly examined her.

"The Turkish side informed us that no illegal or contraband cargo had been found aboard," said Karasin. All the ship's documents also were in order, he said.

At the same time, Ankara asked the Russian side to present legal grounds for detaining the ship, either a prosecutor's authorization or a court ruling. "The Russian Foreign Ministry forwarded the request to the Federal Border Service Legal Department," said Karasin.

"Unfortunately, although we had about four days at our disposal, neither the Russian Transport Ministry Sea Transport Department nor the Novorossiisk port administration provided the requested legal papers," he said.

In this connection the Turkish authorities decided that no further measures can be taken against the ship and in the evening of October 15 Albeli-1 continued its way to the Mediterranean through Black Sea straits, said the spokesman.

Karasin believes that the lack of coordination between Russian agencies, Sea Transport Department in the first place, was the main obstacle that prevented the use of sanctions against Albeli-1 because required legal papers were not provided to the Turkish side.

"The incident now will have to be resolved in accordance with the international private law," for which the Russian Foreign Ministry will provide every possible assistance, said Karasin.

Karasin Views OSCE Efforts on Nagorno-Karabakh

LD1910214495 Moscow INTERFAX in English 1916 GMT 19 Oct 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Oct 19 (INTERFAX) — The OSCE Minsk Group has urged parties to the conflict in Nagorno Karabakh to intensify work on the political agreement regarding settlement in the region.

The Russian Foreign Ministry's spokesman Grigoriy Karasin told a briefing in Moscow today that as a result of the Helsinki consultations on October 16-17 the Minsk Group had urged the conflicting parties to search for mutually acceptable solutions.

Karasin said another round of talks on settlement in Nagorno-Karabakh within the scope of the OSCE Minsk process had taken place in the Aland Islands (Finland) on October 9- 15. The talks were co-chaired by Russia and Finland.

Karasin said the conflicting parties had agreed on several provisions of the draft agreement regarding the ending of the armed conflict. The provisions provide for separation of troops, withdrawal and disengagement of heavy weapons and creation of a no-flight zone.

Karasin said further talks between the conflicting parties and consultations within the OSCE Minsk Group were expected to take place in Moscow in early November.

Azeri Oil Offer to 'Drive Wedge' Between Russia, Iran

MM1910105095 Moscow ROSSIYSKAYA GAZETA in Russian 19 Oct 95 p 7

[Article by Aleksandr Krasulin: "Geydar Aliyev's Oil Bomb. Azerbaijan Intends To Cooperate With Iran on Oil Contrary to U.S. Protests"]

[FBIS Translated Text] A sensational announcement has come in from Baku. The ink had not had time to dry on the decision adopted by the international consortium's steering committee on two routes for the transportation of early Azerbaijani oil to Western markets (via Russia and Georgia) before Geydar Aliyev asked Tehran to take part in the joint exploration of the Caspian's "Shakh-Deniz" oil and gas field. Iranian officials have so far declined to respond.

The trickiness of the situation lies in the fact that Geydar Aliyev had already made an attempt, less than a year ago, to involve Iran in prospecting for Caspian oil, offering the latter 5 percent of his block of shares in the international consortium. But as soon as this information reached the United States and Washington had expressed its extreme displeasure in this connection, Baku immediately backpedaled. Iran did not become one of the members of the consortium and its promised 5 percent of the shares was handed over to Turkey. Ankara accepted the gift and Tehran was less offended by the fact than the manner of the refusal. As a result Iran cut procurements of Azerbaijani petroleum products in March 1995 from 120,000 to 30,000 tonnes and began actively cooperating with Armenia.

Now Geydar Aliyev is once again extending the olive branch to Tehran. What is going on? Is he no longer paying attention to Washington's menacing growls? Yet, as is now known, it was a desire to persuade Geydar Aliyev not to allow Tehran access to the Caspian fields that was behind the U.S. President's unprecedented telephone call to the Azerbaijani president on the eve of the consortium's decision.

There may be several reasons for this. On the one hand, the resolution of the Nagorno-Karabakh problem has not hitherto gotten moving and that does not please the Azerbaijani leadership at all. And although combat operations have now been suspended, Stepanakert is still outside Azerbaijan's control.

However, experts are firmly convinced that had the Americans helped in this matter, Karabakh would have long since become an Azerbaijani autonomous formation. One Russian delegation member who took part in the talks for a peace settlement in this region said unofficially that the Americans have clearly hinted in their diplomatic games with Baku that they could help Azerbaijan settle the Karabakh crisis. But then they did not do so, evidently under pressure from the Armenian diaspora.

Another reason might have been the position of the Russian Foreign Ministry, which does not recognize the Azerbaijani model for the legal status of the Caspian, insisting that the sea cannot be divided by borders since it is not a sea but a closed internal waterway and therefore the norms of international maritime law, enabling exclusive economic zones and the continental shelf to be singled out, are not applicable there. The Iranian Foreign Ministry is also in favor of the Caspian's new legal status being defined before concluding any agreements for the exploration of its mineral resources. That is why, as far as Baku is concerned, it is a good thing to try to drive a wedge between Iran and Russia on this matter since Geydar Aliyev undoubtedly realizes that his two powerful neighbors could nullify all the consortium's efforts, and he may want to win over Tehran with an oil handout.

Might Geydar Aliyev be afraid of missing the boat? The day after his offer to Tehran it became known that 123 foreign companies have tendered for 10 major oil and gas projects in Iran. Iranian Oil Minister Qolam Reza Aqazadeh-Khoi said that they include companies from 10 European countries, along with Japan, Australia, Canada, and the United States.

Border Accord With China Ratified in Beijing

LD1910221395 Moscow ITAR-TASS in English 1958 GMT 19 Oct 95

[By Andrey Kirillov]

[FBIS Transcribed Text] MOSCOW, October 19 (ITAR-TASS) — Russia and China exchanged ratification documents on the agreement on the western part of the Russian-Chinese border in Beijing today.

The agreement was signed in Moscow on September 3, 1994 during the second Russian-Chinese summit.

Russian Foreign Ministry senior spokesman Grigoriy Karasin called the ratification "an achievement of historical scale."

He told a briefing today that the ratified agreement adds to an earlier agreement on the eastern border which was signed on May 16, 1991 and which is already in effect.

The latest agreement on a 55 kilometre western flank of the border finishes judicial mapping of the 4,300-kilometre border between Russia and China.

The act will improve stability on the border and promote economic relations between the two states, Karasin said.

The western part of the border runs in water divide of a high-mountain area and is an interface between Russia's Altay republic and China's Xinjiang-Uigur enclave.

Exact demarcation of this part of the border is to be carried out by a special joint commission.

Further on Tokyo Daily's Claim of Sunken Submarine

MM2010082395 Moscow IZVESTIYA in Russian 19 Oct 95 p 3

[Report by Gennadiy Charodeyev: "Underwater Accidents Did Happen, But in a Different Place and at a Different Time, Navy Sailors Reply to IZVESTIYA"]

[FBIS Translated Text] The Vladivostok correspondent of the Japanese newspaper TOKYO SHIMBUN has either been well and truly duped by somebody or he is himself very prone to fantasizing. This is how Russian diplomats and Navy sailors reacted as one to the sensational Japanese newspaper item which, citing what were alleged to be Russian Navy archive materials, gave a list of incidents involving Soviet and then Russian nuclear-powered submarines over a quarter of a century.

Diplomats at the Russian Foreign Ministry advised people "not to take the Japanese' word for it" and to check the facts cited by them with Russian submariners and ecologists. Which is what we did.

Specialists at Maritime Kray Environmental Protection Administration told an ITAR-TASS correspondent, in particular, that they have no data about a Chinese nuclear-powered attack submarine having sunk off Vladivostok and which is leaking radiation through a hole. Ecologists state that they have a fairly good knowledge of the radiation situation in this area — off Putyatin Island — and that a persistent contamination of the region's waters has not been registered there.

In Vladivostok, Pacific Fleet Commander Admiral Igor Khmelnov also officially refuted reports of the sinking of a Chinese submarine in Russian territorial waters in 1983.

In Moscow the Russian Navy Main Staff told IZVESTIYA's correspondent in no uncertain terms: "The facts and figures published in TOKYO SHIMBUN do not correspond to reality." The Navy sailors did not agree with the accident statistics cited by the Japanese correspondent but refrained from giving the real number of incidents in which Soviet nuclear-powered submarines rammed foreigners. The Navy Main Staff experts knew absolutely nothing about the case of the sinking of a Chinese submarine in the Sea of Japan.

According to them, these days nobody makes a big secret of such accidents. Submariners recalled two cases involving a collision between the U.S. multirole nuclear-powered submarines Baton Rouge (1992) and Grayling (1993) and Russian military submarines in the approach to the Gulf of Kola. Incidentally, in both cases the U.S. submariners acknowledged their guilt in violating Russian territorial waters.

Without going into detail, the Navy sailors mentioned another two incidents whereby the NATO command was to blame for collisions which occurred between submarines in the Northern Fleet and which did not have serious environmental consequences.

Moldovan President Cited on NATO Eastward Expansion

LD1910122595 Moscow ITAR-TASS in English 1126 GMT 19 Oct 95

[By Valeriy Demidetskiy]

[FBIS Transcribed Text] CHISINAU, October 19 (ITAR-TASS) — "NATO's eastward expansion does not threaten Moldova's security, but the Russian factor should be reckoned with in this situation," Moldovan President Mircea Snegur stated here today, summing up the results of his visit to Germany, which ended last week.

"Moldova was among the first states to join the NATO Parnership for Peace Programme and it regards this cooperation as an additional guarantee of its security," Snegur stressed. "I hope that Germany and the other international organisations will help us settle, with OSCE mediation, the Dniester issue and the problem of the withdrawal of Russian troops from the left-bank part of our country."

Snegur noted the constructive approach of President Boris Yeltsin and Prime Minister Viktor Chernomyrdin to the settlement of these problems. "However, the Russian State Duma is in every way backing the

Dniester separatists and dragging out the ratification of the signed agreements on the withdrawal of Russian troops," the Moldovan President complained.

Estonian Ambassador Views Bilateral Relations

WS2010083695 Tallinn BNS in English
1753 GMT 19 Oct 95

[FBIS Transcribed Text] Moscow, Oct 19, BNS — A chill remains in the relations between Estonia and Russia and can be largely blamed on the fact that the relations are still affected by emotions, said Mart Helme, the Estonian ambassador to Russia.

"The present-day requirements above all are that the issues of economic relations, the border and the problems of the Russian-speaking population must be resolved," the ambassador told reporters in Moscow.

He said Russia's policy of high customs tariffs on Estonian imports repelled the Baltic country, who already had proved that it can survive without help from its giant neighbor.

A free trade agreement signed by the countries in 1992 has failed to work and Russia has imposed double-size tariffs on imports from Estonia.

Speaking about the border, the ambassador said Estonia wants Russia to formally recognize the Tartu peace treaty of 1920 for only half an hour.

Delegations from the two countries are to meet in Russia's Pskov next week to discuss the border issue. The two countries also have reached an agreement on the basic principles of simplified border crossing regulations.

"It's difficult to say where and when they will be written down in a document," Helme said.

The ambassador said the previous week's government crisis in Estonia had drawn the parliament's attention and caused postponement of ratification of the Estonian-Russian treaties signed by the presidents last summer. But he added that the government crisis had in no other way affected the relations with Russia. He dismissed as speculation media reports that Russia's spy agencies had become more active in Estonia recently.

Foreign Intelligence Service Chief Visits Bulgaria

LD2010092195 Moscow ITAR-TASS in English
0857 GMT 20 Oct 95

[By Vladimir Abrosimov]

[FBIS Transcribed Text] SOFIA October 20 (ITAR-TASS) — Academician Yevgeniy Primakov, Director of the Russian Foreign Intelligence Service, on a visit in Bulgaria, was received by Bulgarian Chairman of the Council of Ministers Zhan Videnov [prime minister] and by Bulgarian Interior Minister.

The exchange of opinions on questions of mutual interest was also held with chief of the Bulgarian National Intelligence Service, General Brigo Asparukhov.

Israeli Deputy Minister Meets Kozyrev, Posuvalyuk

TA1910151395 Tel Aviv DAVAR in Hebrew
19 Oct 95 p 3

[Report by Arye Dayan]

[FBIS Translated Text] Deputy Foreign Minister Eli Dayan yesterday met Russian Foreign Minister Andrey Kozyrev in Moscow. Dayan arrived in Moscow for a scheduled meeting with his Russian counterpart, Viktor Posuvalyuk, and the fact that Kozyrev received him for a meeting was seen as a Russian gesture toward Israel.

In the 15-minute meeting, Kozyrev expressed his country's support for the Israeli-Palestinian interim agreement and pleasure with the fact that "the Israelis and the Palestinians have taken the right path for peaceful coexistence."

Deputy Minister Dayan said he acknowledges Russia's importance to the Middle East peace process. He called on the Russian Government to use its good connections in the region to spread the message of peace in the Arab world, mainly in Syria.

In his meeting with Posuvalyuk, held after the meeting with Kozyrev, Dayan reviewed the initial stages of the implementation of the interim agreement with the Palestinians. Dayan reiterated Israel's concern over Russian-Iranian nuclear cooperation, and Posuvalyuk repeated his country's stand, according to which the nuclear reactor that will be built in Iran with Russian aid will serve only peaceful and civilian purposes.

The Russian deputy foreign minister told his guest that Russia intends to send a large delegation to the Amman economic conference at the end of the month. He said that many private businessmen have expressed willingness to partake in the conference to expand trade ties between Russia and the Middle East.

Dayan suggested that an Israeli chamber of commerce open in Moscow to help promote trade ties between the two countries. Posuvalyuk welcomed the idea, but said that the issue will be looked into. "The conversation was friendly," Dayan said yesterday. "I felt that Russia wants to get closer to Israel and improve the relations."

Today, Dayan will visit the centers of the Jewish community in Moscow and meet with Israelis working there. Tomorrow he will go to Warsaw, where he will meet with the Polish foreign minister, his deputy, and the speaker of the Polish Sejm.

Norwegian Ecologists Said To Possess Fleet Secrets

MM2010112795 Moscow IZVESTIYA in Russian 20 Oct 95 p 1

[Report by Sergey Krayukhin: "Criminal Proceedings Instituted in St. Petersburg Against Norwegian Ecologists"]

[FBIS Translated Text] The FSB [Federal Security Service] St. Petersburg Directorate's investigation service has instituted criminal proceedings in respect of the disclosure of information constituting state secrets. During the investigation searches were carried out in St. Petersburg and at the Murmansk office of the Norwegian environmental organization "Bellona," and also at the homes of its Russian staffers. Material containing secret information on the Northern Fleet was found and seized. Our correspondent Sergey Krayukhin reports that a group of people involved in the disclosure of these secrets is being identified.

Cuban Powerplant Needs International Financing

LD1910212295 Moscow ITAR-TASS in English 2022 GMT 19 Oct 95

[By Veronika Romanenkova]

[FBIS Transcribed Text] MOSCOW, October 9 (ITAR-TASS) — Russian and Cuban specialists in November will start to set up an international consortium to finance the finishing of the construction of a nuclear power plant in Juragua, which was suspended some time ago, an official at the Russian "Zarubezhatomenergostroi" company told ITAR-TASS on Thursday [19 October].

According to the company's deputy head Aleksandr Nechayev, as both Russia and Cuba are short of money for the project, they are planning to attract third parties to the consortium.

Nuclear reactors of the VVER-440 type and a major part of other equipment were delivered to Cuba from the Soviet Union. The building of the NPP was suspended because of financial problems. However, according to experts a great part of work had been accomplished and the first reactor "is in high degree of readiness."

According to the plant's director Isak Alagion, 75 per cent of general construction work had been finished, with 20 per cent of mechanical and 18 per cent of electric installations being in place.

Russian First Deputy Prime Minister Oleg Soskovets, during his recent Cuban visit, signed a memorandum on cooperation nuclear power sector envisaging efforts to finish the project.

Nechayev said that at present it is still unclear what foreign companies will accept invitation to the consortium. So far only German Siemens expressed interest in the project. But if investors are found, works at the site might restart almost immediately and the plant might be launched in about four years.

Political Issues

RTV Carries 19 Oct Yeltsin News Conference

LD2010095495 Moscow Russian Television Network in Russian 1735 GMT 19 Oct 95

[News conference by Russian President Boris Yeltsin with unidentified correspondents in the Kremlin on 19 October — recorded]

[FBIS Translated Text] [Correspondent] On what conditions is Russia prepared to send its troops for peacekeeping operations there?

[Yeltsin] First of all, we agree to send troops. This is the first thing. The second issue — how many — is more complex. It depends on two factors. When we said a division, the United States Congress gasped: No, it is inadmissible for a Russian division to be in the Balkans, on the territory of the former Yugoslavia, and — what is more — in Serbia. And there is a third part: the material side. To send a division there would cost $3 billion, according to UN quotas, so to speak. At present, this is too extravagant for Russia. Therefore we would like to find a sort of a parity option. We have a battalion there — we may add, say, a couple of regiments. But this is not the main point. The main point is to decide who is to be in command. We will not fight under NATO command.

[Correspondent] How do you see the prospects for a peaceful settlement in Bosnia and the holding of a peace conference in Moscow?

[Yeltsin] Well, you know that, in various situations, we have always been in favor of a peaceful settlement and peace talks — we have always been. We have always been against the NATO bombardments. We regard that as barbaric, impermissible by the world community. So such an option, not subordinate to NATO, but with the armed forces of separate states protecting the inhabitants of separate territories — well, let's say, we are given Bosnia or somewhere else; that's not the main thing — this option seems to me to be a good one. It should be taken.

As for the peace conference, that is our idea. I mentioned it when I spoke at the United Nations. It was said then, for the first time, two years ago: Let's assemble all the main leaders involved in the conflict, and then we will certainly come to an agreement. As things are, we are all at sixes and sevens. The United States has one idea, Russia has another idea, France has a third idea, Germany has a fourth, and so on and so forth. The actual representatives of the conflict also have their own ideas and, when all is said and done, there's no agreement. But if we get together on certain conditions like the lifting of sanctions and so on, I am sure and convinced that, at such a high level, it will prove possible to reach an agreement, and I hope for the success of that conference. If only it could at least adopt just one document, a declaration on the peaceful resolution of the conflict and on the cessation of any further hostilities or military action of any kind.

[Correspondent] Apart from general political subjects what do you propose to discuss with Bill Clinton?

[Yeltsin] They are always very worried about our deal with Iran. And once again he wishes to raise this question at our meeting. I think that I have done everything I can. We removed the centrifuge from the deal. We removed the well [shakhta] from the deal. That is, those things which could lead it to be moved onto a military track. That is, we have made, we are making an ordinary nuclear, thermal, power station which it is impossible in any way to change to military use.

This is just the same as the Americans intend to do for North Korea. Why is it that they can, and why is it that we cannot have an ordinary trade deal with Iran? There is no link. The IAEA has already on several occasions conducted consultations there, carried out checks and so on; it has officially produced experts' opinions confirming that this will not lead to its being changed to military use. It will not lead to it. But, they are raising this question again. Of course, they want to squeeze us out of the world military equipment and armaments market because our weapons are rather powerful and their technical features are to a large extent better than the American ones. Therefore, they do not want us to gradually and increasingly make progress and conquer the world market for the sale of weapons and military equipment. This — I think — is where the main issue lies; they would like to set us at odds with Iran, and then they will say — just look, Russia is insolvent. And are we to lose several billions by halting this deal? We cannot do this.

The question of the destruction of chemical weapons is a huge difficult question for us. Such large quantities of them have been manufactured, whole mountains of them. What is to be done with them, how are they to be destroyed. how are they to be transported, and so on and so on. These are major questions and we can only solve them together.

There is the question of destroying nuclear weapons. There is the question of getting the states to finally ratify the START-2 treaty.

[Correspondent] So what is a realistic time for the holding of the conference? When will it be held?

[Yeltsin] Well, we thought that it would be at the end of the first quarter, let's say, of next year.

[Correspondent] Will Russia be able to take part in peacekeeping operations in Bosnia together with the United States, taking into account that the United States and the West are more favorably inclined toward the Croats and the Muslims, while Russia is drawn toward the Orthodox Serbs?

[Yeltsin] That will not be a hindrance. Here, too, we must certainly not allow any distinction, and especially any sort of choice as to what side we will or will not defend — certainly not. This is, clearly, something for the UN Security Council to decide, rather than NATO. This is not a NATO operation. It is a peacekeeping operation of the armed forces of the major states.

[Correspondent] Does it not seem to you that in the Balkans, the United Nations and especially its secretary general have blatantly exceeded their powers? Will you raise that question in conversations there?

[Yeltsin] No, I would put it rather differently. It is the countries that are parties to the conflict that have violated the UN charter there, in the area conflict, you understand, rather than the United Nations. It is a different matter that the United Nations and the secretary general were sometimes inconsistent: there was one decision, then it was changed, then there was a another decision. It is legitimate to criticize that. But I do not think it is worth doing that, in deference to the anniversary.

There are the questions of peacekeeping efforts and ecology. There is the question with regard to the Group of Eight. At present, they are increasingly moving toward accepting Russia into a fully-fledged Group of Eight and in 1996 there is to a meeting of the full Group of Eight, with the participation of Russia, to confirm it. Well, in short, I think that we shall discuss a minimum of 30 to 40 questions.

[Announcer comments] Obviously, the journalists also asked about questions of the expansion of NATO and problems of European security, which, naturally, will be discussed in the United States. First of all, they asked what actions would be taken by Russia if NATO stations nuclear weapons near Russian borders.

[Yeltsin] We shall not permit this. We shall present such a system of security for the whole of Europe which would rule out NATO's expansion, and moreover, it would rule out the accumulation of nuclear arms in the countries of Eastern and Central Europe. This is inadmissible. This again means two blocs. How can we? We have experienced the cold war, the hot war, the cold war, then we came to a partnership, and now to lose this partnership, say, between Russia and the United States — this is inadmissible.

And I am sure that when I meet Bill Clinton we shall find ways of solving it and reach an agreement. Because he wants that, and I want that. And our mutual relations are too good for this.

[Correspondent] The impression is being created among those who do not understand your reasoning — in NATO and the United States — they think that you put forward these arguments against the expansion of NATO for the benefit of the opposition. At the same time, Bill Clinton is criticized in the United States, also by those opposed to him who are trying to make Russian-U.S. relations a hostage in this internal political struggle. Do you see any possibility of reaching, with the United States and with NATO, some consensus, as they say, some balance of interests, and opening up the way for that system of European security which you spoke of that will render unnecessary the expansion of NATO and, particularly, the stationing of nuclear weapons near Russia?

[Yeltsin] I would like, I can say very briefly, that I consider that with regard to European security as a whole, a new organization should be created over and above the existing security system. All the other states should be represented equally in it, all the European states. And [with regard to] the military position also, they should not be subordinated to just one organization, say NATO. And there should not be a UN Security Council decision and then NATO bombings of the Serbs.

This is not admissible. Nor is this style, procedure that we now see where peacemaking forces are like the representatives of the armed forces of every country in Europe and are taking part in proportional shares. So there is, even De Gaulle spoke of this, there should be a European Security Council. This European Security Council should be above everyone and should guarantee security, appropriately. Let the UN Security Council take the original, guiding decisions. It does not need to be excluded from this process. But all of the rest, the practical implementation, should be up to the European Security Council. That is how I see it.

[Correspondent] What are the dynamics in the changes to Russian-American relations? What damage has been done by the recent differences in bringing about a settlement in the Balkans, the expansion of NATO, and several issues relating to trade with Iran?

[Yeltsin] Well, you know there is not always harmony in any family. And this is even more the case with two great powers where each wants to be the leader in world decisions, in world events. So now, after the euphoria of the moment when our partnership came into being, things have cooled a little. But this is temporary. I will meet Bill Clinton again and we will again feel mutually drawn toward one another and this will be stronger than any other difficulties and we will reach agreement. I am sure of this.

[Correspondent] This concerns the opposition attacks on you, regarding your willingness to compromise, and the attacks in the United States Congress on Bill Clinton — how do you see this problem?

[Yeltsin] The point is that Bill Clinton defends me with great courage and tries to refute criticism which is being made of me, let us say, in the Congress. He stands his ground and stands his ground very well. This, of course, elicits great respect and a feeling of friendship which exists between us.

[Announcer comments] As might have been expected on the situation in Russia, the correspondents asked the president's opinion on the situation in Chechnya.

[Correspondent] Russian troops will soon have been in the Chechen republic for a year. Do you not regret your decision to send military units there and will their continued presence in Chechnya not affect your chances of being re-elected president next year?

[Yeltsin] I think least of all about this, about whether this influences my chances or whether it does not influence them. The main thing is that it should influence the peace process there, the peace talks and the peace settlement. That is the main thing. And how these should be influenced is another question and not the main one. I am not concerned about this since I have not yet decided and have not said that I have decided whether I will stand for a second term. I will announce my decision after the elections to the State Duma some time at the beginning of next year.

[Correspondent] With regard to your decision to send troops into Chechnya — do you not regret this now?

[Yeltsin] No, we will not send in any additional troops. But I used my constitutional right and the Constitutional Court confirmed that I acted in line with the Constitution.

[Announcer comments] Another topical subject was appointments and possible personnel changes in the Russian Government.

[Correspondent] At a news conference before you went on vacation, you expressed your dissatisfaction with the work of the Foreign Ministry, and you said that if your dissatisfaction remained you might take some decisions. Are you still dissatisfied and if so what decisions might there now be?

[Yeltsin] There is still dissatisfaction. For the time being, I do not see any improvements in its work, and so far there is no specific personnel decision. A worthy candidate needs to be selected first. I have been thinking, let's say, about a candidate for the post of prosecutor general for about three months, and in the end, I believe, the candidate is a very good one. On Tuesday, [Prime Minister Viktor] Chernomyrdin will be presenting him at the Federation Council. I have a feeling deep down that he will be accepted. So, with regard to specific names, I am not ready.

[Correspondent] If I understand you correctly it is simply a matter of selecting a new candidate. The fate of the current foreign minister is more or less already decided, as far as you are concerned.

[Yeltsin] Well, he is working, so we will not pressure him, let him work. My decision stands.

[Correspondent] You criticize the current foreign minister, Andrey Kozyrev, very harshly. At the same time, Kozyrev is constantly repeating that he is following the president's foreign policy line. From this a disparity in your statements, it is evident that you are placing a different emphasis in Russia's foreign policy. If I have understood you correctly, can you say what this emphasis is and when you are placing this new emphasis, to what extent do you take the opposition's foreign policy doctrine into account?

[Yeltsin] I understand your question, but I will answer it from a slightly different angle. The point is that, in general, in the government the Foreign Ministry coordinates the entire international policy, all the issues. It is the Foreign Ministry and specifically the foreign minister, who is responsible for this. But he cannot deal with many of the ministers, and this is the problem. However much I criticize, why are you not coordinating the work of the Foreign Ministry, ties with the other ministries, they do not listen to me. So this idea follows from this that the coordination of general foreign, international, foreign economic and international activities in general has to be moved to rest with the president, however difficult that may be for him. And everyone will then do as they are told, everyone will conduct a single policy, occupy a single position and no one will step to the left or the right. That is how I wish to answer your question.

[Correspondent] To what extent are you prepared to listen to the critical remarks made by the opposition, the opposition parties and movements?

[Yeltsin] I am prepared to listen if it is reasonable and constructive: I am prepared to listen. I have always said this. It is only the extremists that I do not understand and do not recognize, who act out of tune with the Constitution, so to speak, and harm Russia — harm

Russia quite a lot. I disagree with them here and I am not going to support them during the election campaign, of course. As for the rest — be it the centrists, left-centrists or right-centrists, and so on — I, as a president and guarantor of the Constitution, must and will back them and hear them out. I have met practically all of them and discussed these issues with all of them.

[Correspondent] Opinion polls show that the communists might have a rather strong parliamentary faction in the new State Duma. Throughout their history, the communists have never wanted to abandon power when they have had it. If they have a strong parliamentary faction in the Duma, will you be able to work with them?

[Yeltsin] Our task is to prevent this.

[Correspondent] To prevent what?

[Yeltsin] Campaign work must be conducted in line with the Constitution, and so on. If the communists call for power to be overthrown and so on then such candidates may even be stopped from registering as deputies. I mean we should now campaign against the communists and then we will achieve our goal.

On the other hand, Russia Is Our Home, [Duma Speaker Ivan] Rybkin's and [Yabloko leader Grigoriy] Yavlinskiy's blocs are rather strong at present. These are pro-democratic organizations. I have discussed this matter with each of them. We have nothing to worry about here. These will be democratic regimes and Russia will remain democratic.

[Correspondent] Boris Nikolayevich, you have stressed repeatedly, today as well, that extremist, reactionary forces becoming stronger and perhaps coming to power is what you would least like to see and what you consider most dangerous for Russia. What do you, personally, as president intend to do to prevent them from doing this? And will these considerations influence your decision on whether to stand in the presidential elections?

[Yeltsin] I would like it least of all if I were to take a decision not to stand for a second term and people connected this with the composition of the State Duma, with it becoming communist. This is what I would least like. So, all of the means that may be used to prevent this process which is under way have not yet been exhausted. And the communists are not as strong as they claim in the localities either. And they do not actually have the standing that the mass media would have us believe.

[Correspondent] You were one of the people behind the creation of the Russia Is Our Home bloc. But then, at that memorable news conference just before your vacation, you were fairly low-key about Russia Is Our Home's chances in the election. And this probably gave the impetus for the suggestion that your relations with Russia Is Our Home had cooled somewhat and that there were even some problems in your relations with the prime minister.

[Yeltsin] I will explain exactly what I meant when I said that at the news conference. True, I was involved in setting up that bloc. But at the ideas stage, so to speak: that we needed to have two blocs. The existing parties in Russia were small and weak. There were 50 people, I mean 50 parties running in the elections. They would not get a very large vote. The thing is, we still do not have a strong multiparty system. If we had two strong blocs, party-based blocs, competing against each other, then we could at some time in Russia arrive at a two-party system similar to that of many countries. That is what the idea was about.

We started putting it into effect. Then the questions started arising: what if, say, Yavlinskiy does not come into Russia Is Our Home and goes to Rybkin instead? Should I, as president, be against him? Should I, as president, vote, or rather campaign against him? I have no right to do that. I should treat everyone equally, you understand? And here I realized that while supporting Russia Is Our Home, at the same time I had to let everyone know that all the other parties — except the extremists, the communists, and Zhirinovskiy's — are also okay and have policies with much in common.

They are in favor of the block of social issues and market development. They are in favor of reforms, and so on and so forth. In short, I have made a slight turnabout, let us say. In no way am I renouncing Russia Is Our Home, but I have simultaneously been supporting and demonstratively inviting along the representatives and leaders of all the other parties and movements one after the other, except for the extremists.

[Correspondent] What is your attitude to the Congress of Russian Communities and [Aleksandr] Lebed and [Yuriy] Skokov? What camp do you place them in?

[Yeltsin] I have a neutral attitude, since they have positive features, but there are also these strivings for power that have no place in Russia. Russia does not need them.

[Correspondent] You have said today that Skokov is conducting his policies and his campaign quite thoroughly. In your book "Notes of a President" you wrote that you regarded him a shadow prime minister. At the time, he had mustered quite a lot of votes in the Supreme Soviet. Do you still have the same opinion now? Is your assessment of him the same?

[Yeltsin] I do not rule it out. I have great respect for Skokov. He is clever and has good knowledge of production and industry. Now he knows about politics as well.

Ever since we parted company, that is, parted company politically, he has never once said anything against the president.

[Announcer comments] Continuing this theme, the correspondents, mainly the foreign ones, asked what Yeltsin thought about Lebed's most recent political steps. There was also a quite unexpected question: Would an authoritarian regime benefit Russia?

[Yeltsin] It would of course only harm the country. The reason I said that I have a neutral attitude to them is that Skokov is very punctilious in the way he conducts his policy, but Lebed is too eager for battle. No, our country emphatically does not need military actions at the present time — categorically not. We need order, but not in this way.

[Announcer continues] It is well-known that the military are actively engaged in the Duma election campaign. The correspondents were worried, in particular, about what effect this would have on the composition of parliament's lower chamber.

[Yeltsin] Just today, I warned [Defense Minister Pavel] Grachev that the military is entitled to take part in the elections like all other citizens. But, and this is a different matter, I told him that they must not do this through parties because I think that the party system of elections is a mistake. Perhaps one of the few mistakes in a mostly good Constitution, but it was a mistake all the same. We should have gone for the first-past-the-post system of elections for regions, constituencies, and so on, without the party election system.

This will not split the Army because in the constituencies it is not, incidentally, mostly generals but colonels and middle-ranking army personnel. So if we get what I might call a military-democratic bloc in the State Duma. A military-democratic bloc would provide excellent support for all our reform policies, for the president, and so on, because the Army supports the president.

[Correspondent] You have already spoken about the achievements of your presidency — in the sphere of foreign policy. But what has been your greatest disappointment during your presidency?

[Yeltsin] In domestic policy, the greatest achievement has been the reforms, the transition to market relations. It was necessary to possess much courage, [repeats] much courage, in order to go over to this. Those CIS countries that did not embark on this are now suffering poverty. And although our lives are difficult the indices here are getting better and better, and we will in effect achieve stabilization this year. The slump in production will cease this year and there will be growth of 1 to 2 percent next year.

But as to the disappointments, there is, of course, Chechnya. We could probably have conducted a more subtle and more farsighted policy there if we had taken into account that they were real bandits; but we thought that they were ordinary Chechens who were somewhat dissatisfied with federal authority. But no, they are bandits, trained abroad, in Iran, Palestine, Turkey, and other countries. They are real professional bandits, and they were set against our boys. Of course, it was difficult for our boys. And the fact that so many have perished that is the greatest disappointment throughout my presidency.

[Announcer comments] At the end of the meeting, a question was asked that had nothing at all to do either with internal Russian problems or with international ones.

[Correspondent] On a purely personal tack — how is your grandson, Gleb?

[Yeltsin] Eh?

[Correspondent] How is your grandson Gleb getting on?

[Yeltsin] Well, at first he had a few problems, but this happens with nearly every second child nowadays — it is born with some heart trouble. But he is more stable now. He is growing and has put on a kilogram. He cannot get enough mother's milk and wants more. In character and appearance he is very much like me.

[Correspondent] Does he say grandpa?

[Yeltsin laughing] Not yet. I have done my best to answer all the questions you asked me. Let us hope there will be another meeting.

Kozyrev's Replacement Discussed 'More Than Once'

LD1910135395 Moscow ITAR-TASS World Service in Russian 1324 GMT 19 Oct 95

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Translated Text] Moscow, 19 Oct (ITAR-TASS) — The issue of replacing Russian Foreign Minister Andrey Kozyrev has been discussed at the Russian president's meetings more than once, and in particular at Boris Yeltsin's meeting with foreign policy experts, which was held on 17 October. Sergey Karaganov, member of the Presidential Council and deputy director of the Institute of Europe at the Russian Academy of

Sciences, states this to an ITAR-TASS correspondent in connection with today's statement by Yeltsin on his intention to select a new candidate for the post of head of the Russian Foreign Ministry to replace Kozyrev.

Karaganov fully shares criticism levied by the head of state at the foreign minister. According to Yeltsin's assessment, Kozyrev failed to ensure coordination of the Foreign Ministry's activities with other ministries.

"The Foreign Ministry must draw up an outline Russian foreign policy in collaboration with the Federal Assembly, the Security Council, the Ministry for Foreign Economic Relations, the Foreign Intelligence Service, and the Ministry of Defense," Karaganov went on. Moreover, Russia's foreign policy must, he believes, be "the president's, i.e., it has to be run by the president and his apparatus."

Karaganov recognized that it is not only Minister Kozyrev who should be criticized for failures in foreign policy. "In particular, the interdepartmental commission on foreign policy under the Security Council, of which I am a member, has not sat for 18 months," the expert said.

The member of the Presidential Council did not name the possible candidates to succeed Kozyrev who have been discussed at Kremlin meetings. He only pointed to three criteria which, in his opinion, the candidate for foreign minister has to meet: "First, he has to be acceptable to the Russian diplomatic corps. Second, the head of the Foreign Ministry has to be a professional, regardless of whether a career diplomat or a politician well-versed in international affairs is appointed to the post. Third, he must not cause an allergic reaction in the world outside."

Ministry Split Over Possible Ouster

MK2010144595 Moscow NEZAVISIMAYA GAZETA in Russian 20 Oct 95 p 1

[Report by Dmitriy Gornostayev: "Diplomats Are Diplomatic. In Foreign Ministry They Are Glad and Not Glad Over Their Boss's Possible Resignation"]

[FBIS Translated Text] Much as one should have expected, the news of President Boris Yeltsin's intention to replace Andrey Kozyrev in the post of foreign minister has sparked mixed reaction in the Foreign Ministry. Judging by conversations with a number of staffers of the foreign policy department, many had expected it, while many looked forward to it. No formal document has come from the Foreign Ministry yet, and, naturally, they have given no explanations on an official level at Smolenskaya [Square], saying that all questions should be addressed to the president's staff.

Nevertheless, some Russian diplomats think that Yeltsin's words about his intention to remove Kozyrev came at the wrong time. To make statements about dismissing a foreign minister before very important talks in Paris and New York, in the opinion of one of the NEZAVISIMAYA GAZETA interviewees, is an "unstatesmanlike" step.

Some believe it is now too early to draw final conclusions about the resignation because it is not the first time that the head of state criticized Kozyrev. This time, too, Yeltsin said: I am still displeased."

Various rumors are now circulating in the Foreign Ministry, government, and Duma quarters. Although the president, in his own words, has not made up his mind yet about a candidate to replace Andrey Kozyrev, a number of persons are being named who can really aspire to his seat. Among their number are SVR [Foreign Intelligence Service] Director Yevgeniy Primakov, Vice Premier Sergey Shakhray, State Duma Speaker Ivan Rybkin, and Russia's ambassador to London, Anatoliy Adamishin. Talking to NEZAVISIMAYA GAZETA, they for some reason rarely mentioned Vladimir Lukin, Duma International Affairs Committee chairman, although he is quite willing to replace the minister he has been criticizing for a long time. Incidentally, they think in the above committee the new minister is also supposed to hold the position of deputy premier.

This would perhaps suit Shakhray should he find himself in Kozyrev's place, but despite the fact he has some Foreign Ministry experience, this option does not seem too probable.

As for the president, he has not made up his mind yet. In his words, to select a candidate for such a responsible post is by no means an easy task. By way of example, Yeltsin recalled that it took him three months to find a replacement for Ilyushenko.

Yeltsin Dismisses Administration's Head of Personnel

LD1910134495 Moscow ITAR-TASS in English 1324 GMT 19 Oct 95

[FBIS Transcribed Text] MOSCOW October 19 (ITAR-TASS) — President Boris Yeltsin dismissed the head of the personnel department of his administration, Dmitriy Rumyantsev, "on his own request", the press service of the head of state said Thursday.

It did not say who would replace him.

Yeltsin Signs Edict on Election of Administration Heads

MM1910110895 Moscow ROSSIYSKAYA GAZETA in Russian 19 Oct 95 p 1

[Russian Federation Presidential Edict No. 1041 "On Elections of Heads of Administrations of Maritime Kray and Belgorod, Novosibirsk, Tver, and Yaroslavl Oblasts," signed by Russian Federation President B. Yeltsin in Moscow on 16 October]

[FBIS Translated Text] In connection with appeals from administration heads, legislative organs, and the Russian Federation president's official representatives in Maritime Kray and Belgorod, Novosibirsk, Tver, and Yaroslavl Oblasts regarding the holding of elections of administration heads, taking cognizance of the existence of the requisite legal base for the holding of elections, and guided by Article 77 Part 1 and Article 80 Part 2 of the Russian Federation Constitution, I decree that:

1. Elections of heads of administrations of Maritime Kray and Belgorod, Novosibirsk, Tver, and Yaroslavl Oblasts are hereby authorized.

2. State organs in Maritime Kray and Belgorod, Novosibirsk, Tver, and Yaroslavl Oblasts are to ensure the implementation of the organizational and technical measures involved in the preparations for and holding of elections of administration heads in accordance with the timeframes prescribed by federal legislation and the legislation of Russian Federation components.

3. This edict comes into force on the day it is published.

[Signed] Russian Federation President B. Yeltsin

The Kremlin, Moscow, 16 October 1995
No. 1041

Yeltsin Rejects Law on Wages in Budget-Funded Sphere

MM1910132295 Moscow ROSSIYSKIYE VESTI in Russian 19 Oct 95 p 1

[Unattributed report under the general heading: "Boris Yeltsin Defends Interests of Underprivileged... and Defrauded Investors"]

[FBIS Translated Text] News agencies have published a report that the Russian Federation president has rejected the Federal law "on putting the wages of workers in the budget-funded sphere in order." The editorial office has a copy of Boris Yeltsin's message to State Duma Chairman Ivan Rybkin giving the reasons for rejecting this document:

Federal Assembly State Duma, to I.V. Rybkin, chairman of the State Duma

President of the Russian Federation, 17 October 1995, Moscow, Kremlin

In accordance with part 3 of article 107 of the Russian Federation Constitution I reject the federal law "on putting the wages of workers in the budget-funded sphere in order" for the following reasons.

Articles 1-4 of this federal law contradict part 3 of article 104 and article 114 of the Russian Federation constitution and the system of Russian legislation in the social and labor sphere.

The federal law was adopted and approved in violation of the requirements of part 3 of article 104 of the Russian Federation Constitution without a conclusion from the Russian Federation Government and without determining the sources for covering expenditure on its implementation.

The implementation of the measures proposed in the federal law according to the Russian Federation Government's calculations will require the additional earmarking from the budgets of all levels of 10 trillion rubles [R] a month and by the end of the year R50.5 trillion will have to be allocated. This money is not envisaged in 1995 in either the federal budget or the budgets of the components of the Russian Federation so the actual implementation of this law will be impossible, which will lead to the intensification of social tension among the workers in the budget-funded sphere.

In addition raising the wage rates in the unified wages scale in the form proposed by the law will lead to an unjustified doubling of wages for workers at the higher grades to the detriment of workers at lower grade. The least socially protected workers in the budget-funded sphere will thus be in a worse position.

The adoption of the federal law on this issue is a violation of the competence of the Russian Federation Government stipulated by article 114 of the Russian Federation Constitution and the system of Russian legislation in the social and labor sphere in accordance with which it ensures the pursuit in the Russian Federation of a single state policy in the field of culture, science, education, health care, social security, and finances, including the remuneration of workers in the budget-funded sphere.

Right now, proceeding from the rise in consumer prices over the relevant period, the Russian Federation Government by its 24 August 1995 decree no. 823 has increased the wage rate for grade one of the unified wages scale for the remuneration of workers in the budget-funded sphere as of 1 September 1995 to R60,000 a month (a 54 percent increase) and as of 1 November 1995 considering agreements within the framework of the Russian tripartite commission for the regulation of social and labor relations by a further 34 percent, that is outstripping the predicted growth rate for consumer prices in September-October 1995. To this end an additional R10.58 trillion is being sought, including R8 trillion from the budgets of the Russian Federation components.

The provisions of the articles concerning the unified wages scale and the remuneration of workers in the budget-funded sphere should not be regulated by the federal law that has been submitted.

[Signed] B. Yeltsin.

Yeltsin Lauded for Advising Grachev To Appear in Court

MM1910145895 Moscow IZVESTIYA in Russian 19 Oct 95 p 2

[Report by Otto Latsis: "President's Advice to Bellicose Minister Is More Than a Sure Step"]

[FBIS Translated Text] Russian President Boris Yeltsin has advised the defense minister to revise his work schedule so that Pavel Grachev can appear at the court session concerning his action against a journalist. Boris Yeltsin is aware of the ruling by Moscow's Krasnopresnenskiy Intermunicipal Court regarding the summoning of Russian Federation Defense Minister Grachev to the 25 October court session. Presidential Press Secretary Sergey Medvedev informed INTERFAX Tuesday [17 October] that "in light of this the president advised P. Grachev to revise his work schedule for the end of October. Previously Grachev announced that he would not appear in court because he would be visiting Greece.

On 27 September Moscow's Krasnoprenenskiy Court ordered that Grachev be delivered to the 25 October session. The court session is due to consider the defense minister's demand that criminal proceedings be instituted against MOSKOVSKIY KOMSOMOLETS journalist Vadim Poegli for criminal insult. The grounds are the newspaper article headlined "Pasha the Mercedes Thief Ought To Be in Prison and Not Defense Minister," which was about corruption in the Western Group of Forces.

In the last two years — from elections to elections — the press has repeatedly criticized the Russian president for his unsure, incorrect, and even completely unacceptable steps. Unfortunately there were considerable grounds for these criticisms. But this is precisely why it would be unfair to fail to note an extremely sure step: the advice to the defense minister to appear in court, which he is refusing to attend for reasons which are known to be unacceptable.

But it would be just as unfair to confine ourselves to this statement. Yes, it is a sure step in the sense that it will serve to bolster the authority of the president and his supporters in the election campaign. And, it would seem, what could be more obvious than the consideration that the president is looking after his political skin at a time when he faces the prospect of receiving voters' assessment of his policies. Despite all the obviousness, on this occasion this is immaterial.

In this case what is material is not how this affects respect for the president but how this affects respect for the law. We often recall that Russia's affliction is bad roads and bad laws. Unfortunately we recall more rarely that there is a worse affliction: wholesale disrespect for the law at all levels. We applauded the judges' act when we found out about the attempt to defend the law by what is apparently the simplest method: acting according to the law. By the simplest but also an extremely risky method, because nobody knew how the rayon police department would deal with the Defense Ministry. It must now be assumed that the risk has substantially diminished.

It has been a tradition — or, rather, a bad habit — of many of our political scientists (and even more so of armchair politicians) to assess politicians' actions not in terms of their real substance but in terms of their assumed motive. Let us try to break this habit, let us try to imagine the value of a particular action irrespective of conjectures about why the president took this step. After all, he will indeed affect our future lives quite irrespective of any real or supposed secret motives: He will strengthen the law, and that is the crux of the matter.

Chernomyrdin Briefs Cabinet on New Economic Policy Shift

LD1910201695 Moscow INTERFAX in English 1705 GMT 19 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 19 (INTERFAX) — Russian Prime Minister Viktor Chernomyrdin says the country has inconspicuously shifted to a new economic policy based on the execution of Russia's first ever realistic and tough budget.

In a speech to the cabinet meeting on Thursday on government performance in the nine months to October, he spoke of the importance of this fundamental financial paper for the recovery of the Russian economy and its progress in the years to come.

Chernomyrdin was confident he and his team would manage to stay put in the final months of this year which he described as decisive.

But he also said it was bad that some budget items should be met by a mere 65 percent while others by over 100 percent and he instructed the finance ministry to straighten things out.

The prime minister called on government members for a constructive engagement with members of the Federal Assembly in a conciliatory commission intended to amend the 1996 draft budget. He thinks it is important that the next year budget be approved by the incumbent State Duma.

He warned the ministers against any stand off with the Duma or attempts to ignore its proposals. The prime minister pledged willingness to discuss budget items in hand and introduce sensible corrections if needed.

Among immediate priorities, Chernomyrdin pointed to the need to ensure grain supplies and fight against crime. He said the merger of criminal rings and government officials was of particular concern and pressed the interior ministry for new ways of combatting the criminal underworld.

For his part, First Deputy Prime Minister Anatoliy Chubays said other urgent priorities included funding of the power ministries, assisting the pension fund in paying out benefits to old age pensioners and taking control of the banks.

He said the Central Bank must be ruthless in closing insolvent banks.

Chubays also called on Central Bank head Tatyana Paramonova to consider as quickly as possible the package of proposals by a group of experts on attracting foreign investment to the country's treasury bills market. He reckons the proposed plan can help attract up to $1.5 billion worth of investment into the Russian economy.

Chernomyrdin on Preventing Autumnal Inflation Rise

LD1910183095 Moscow ITAR-TASS in English
1455 GMT 19 Oct 95

[By Nadezhda Anisimova and Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, October 19 (ITAR-TASS) — The government is taking measures to prevent the autumnal spiral of inflation, Russian Prime Minister Viktor Chernomyrdin said at a Cabinet meeting on Thursday.

The government has already taken a number of steps to freeze prices, specifically of electricity and gas, as well as of consumer goods and services of other "natural monopolies." The prime minister also proposed to chiefs of regions and monopoly enterprises situated in these regions to support this policy of the government and to prevent price rises in the framework of agreements between enterprises. As to natural monopolies, they will be rigidly controlled by the government, the prime minister said.

The prime minister's remarks were in answer to statements that there may be a characteristic autumnal surge in inflation because of the increase in the printing of money in first six months by 19,200 billion roubles, rise of budget spending in the first quarter, as well as a possible increase in transport fares, prices of energy carriers and farm produce and plans to increase the excise rates for oil and gas. Acting President of the Central Bank Tatyana Paramonova spoke at the Cabinet meeting. She said that the growth of money supply by 5.4 per cent a month permits the Central Bank to lower the credit rate (180 per cent at present).

Paramonova dwelled on matters of Russia's socio-economic development in the past months of the current year and forecasts till the end of the year. It was noted, specifically, at the Cabinet meeting on Thursday that rigid financial-crediting policy of the government and the Central Bank in 1995 helped keep down inflation. The inflation rate decreased by the third quarter to five percent a month on an average as against 13 and 8 per cent, respectively, in the first and second quarters. This has been achieved by non-inflationary financing of the budget deficit through external borrowing and operations with state short-term bonds, containing the growth of money offer in the first quarter, restriction of budget expenditures and introduction of the rouble rate band.

Chernomyrdin Caught Between Government Record, Poll Hopes

MM1810145195 Moscow PRAVDA in Russian
18 Oct 95 p 1

[Article by Anatoliy Pokrovskiy under the "Events and Commentaries" rubric: "The Premier and the Two Birds"]

[FBIS Translated Text] You really cannot envy Viktor Stepanovich [Chernomyrdin]. On the one hand, as head of the government he has to pursue the antisocial economic policy of Russia's current potentates. And as leader of an electoral bloc he has to win the votes of voters, who are being cleaned out by the government. So the premier is trying to kill two birds with one stone in cities and villages.

The hunting method is not subtle — to make promises left, right, and center. For instance, he went to pensioners and promised them trillions. Seemingly the same trillions which the government took out of the Pension Fund. Except that the pensioner, hardened by his poverty-stricken life, has become distrustful — we will vote, he says, when we receive money and not promises. Miners, physicians, teachers, and transport workers are treating government promises with caution. No amount of eloquence is enough to woo everybody.

But how can you woo people while the draft of the new budget is actually being considered by the State Duma. It comes into direct conflict with the premier's assurances. When scientists at academic institutes, for example, saw it they just sighed — they face a further reduction in real appropriations for science. But the situation here was already desperate. The sharp increase in prices of power sources has led to a 150-percent increase in the prices of communal services throughout the country as a whole and has increased institutes' expenditure on them to 40-60 percent of the budget funds being received. So the scientists were absolutely delighted about the government decree increasing tariff rates. On top of that Moscow Interregional Commercial bank is holding back even the funds already allocated by the Finance Ministry for the Moscow region's scientists.

The situation at the Russian Academy of Sciences Far East Branch is especially grave. Mass protest actions have already been held there and an appeal adopted to Russian Academy of Sciences staffers to hold Russian nationwide actions in defense of their professional and economic interests. We were informed by the Russian Academy of Sciences Workers Trade Union Council that tension in scientific collectives is no longer of a local nature and that Far East members' calls are receiving more and more support.

In this situation the a meeting of the coordinating committee of Russian Academy of Sciences scientific collectives was called regarding the holding of mass actions. So far V.S. Chernomyrdin has been sent a letter listing the immediate measures needed to save Russian science. I wonder which birds the premier will try to kill in this case?

Filatov Comments on Local Elections, Council Formation

MM2010082295 Moscow ROSSIYSKIYE VESTI in Russian 19 Oct 95 p 1

["Commentary" by Lyubov Tsukanova: "The Upper Chamber of Parliament Will Be Empowered by Law" — first paragraph is ROSSIYSKIYE VESTI introduction]

[FBIS Translated Text] As is known, the president's edict of 17 September 1995 recommended postponing the elections of administration heads until December 1996. By what was Boris Yeltsin guided in making an exception for a number of components of the Russian Federation?

Sergey Filatov, leader of the Russian Federation Presidential Staff, told ROSSIYSKIYE VESTI's correspondent that the head of state does not treat his own decisions as dogma: Permission for elections of governors has been given to those regions where elections are not used as a political tool to resolve internal contradictions but are initiated by a common decision by the administration, the legislative organ, and the president's representative and where the necessary legislative base has been created for this.

Sergey Filatov believes that the permission for elections of administration heads in a number of regions of Russia means that the president agrees with the concept of the Law on the Formation of the Federation Council adopted by the State Duma, which provides for the leaders of legislative organs of components of the Russian Federation and for administration heads elected by the population to enter the upper chamber of parliament. Since all the leaders of the regions' legislative organs are legally entitled to enter the Federation Council and the leaders of the executive branch in 35 components of the Russian Federation were elected earlier and will increase in number in December, the Federation Council of the new convocation will have a quorum and will be able to begin work on schedule.

As regards the Duma amendment to the law on forming the upper chamber which affects the leaders of legislative organs (they supposedly will be unable to represent the region's interests if the powers of the legislative organ are extended), Sergey Filatov believes that here the Duma has exceeded its legal powers, and he hopes that by means of a conciliation procedure this point will either be revised by the State Duma itself or will not be adopted by the Federation Council and will also be subject to a correction. Sergey Filatov emphasized that the Law on the Formation of the Federation Council must not become a cause of confrontation in relations between the president and the Federal Assembly, since we are talking of the interests of the state — the formation of a full-fledged parliament capable of starting work as soon as the term of office of the deputies of the first convocation expires.

Communists Accuse Yeltsin of Taking Sides in Elections

LD2010103995 Moscow ITAR-TASS in English 1008 GMT 20 Oct 95

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, October 20 (ITAR-TASS) — Russian communists today accused President Yeltsin of having made in public "a direct threat not only against the party of communists but against two million Russian citizens who signed up as supporters of its election alliance," and declared that the party would file a lawsuit to protect its honour and dignity.

The party issued an official statement protesting the President's pronouncements against the Communists on Thursday. The statement on behalf of the Central Executive Committee of the Communist Party of the Russian Federation was read out in the State Duma today by Anatoliy Lukyanov, former speaker of the last Soviet parliament who was imprisoned for connivance with the August 1991 coup plotters and amnestied by Yeltsin later.

On Thursday, Yeltsin told journalists in the Kremlin that it was important not to allow the communists to win a majority in the State Duma lower house of parliament. He called for launching a campaign against them.

Replying to a question about his own attitude to different political forces, the President said, "I support all parties with the exception of the communists and Zhirinovskiyites."

The communist party statement read out in the Duma today described this as the President's order to power structures to actively interfere with the election process, and stressed that "the highest official in the state took sides in the election campaign process."

The Communist party's ally, the Agrarian party went further, expressing the fear that Yeltsin's words were likely to unleash "a witch hunt" and persecution of communists and their allies, as well as fanning civil confrontation.

Agrarian party leader Mikhail Lapshin said in Novosibirsk today that "it was more than strange to hear a statement of that sort come from the mouth of 'the guarantor of the Constitution,' as the President keeps calling himself."

Military Issues

Official Says Duma Unlikely To Ratify START-2 Treaty

LD1910180895 Moscow INTERFAX in English 1550 GMT 19 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 19 (INTERFAX) — State Duma Chairman Ivan Rybkin and Defense Minister Pavel Grachev discussed the future ratification of the START-2 treaty at their meeting in Moscow Thursday, chairman of the parliamentary defense committee Sergey Yushenkov told INTERFAX.

In addition to Yushenkov, the chairmen of the committees for security [Viktor Ilyukhin], international affairs [Vladimir Lukin] and geopolitics [Viktor Ustinov] also attended the meeting.

According to Yushenkov, Grachev confirmed his ministry's support of the treaty's ratification. At the same time, the meeting was concerned about "the lack of sufficient funding for implementation of the already ratified START-1, and START-2 if ratified by the Duma."

The meeting was also worried about the U.S. Congress decision which, Yushenkov said, spells its withdrawal from the ABM treaty (on limitations of anti-ballistic missile systems — IF note), while the START-2 provides for very strict implementation of the ABM treaty.

Yushenkov said yesterday's closed parliamentary hearings on the issue recommended that the government submit a plan of specific activities in implementation of the treaty. "However, the Duma is unlikely to ratify the START-2 treaty in the near future, judging by the atmosphere among the deputies," he underlined.

Vorobyev Blames Duma for 'Deplorable' Defense Financing

LD1910185795 Moscow ITAR-TASS World Service in Russian 1416 GMT 19 Oct 95

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Transcribed Text] Moscow, 19 Oct (ITAR-TASS) — The Defense Ministry has no funds to finance the troops carrying out the task of restoring constitutional order in Chechnya. This is the opinion of Colonel General Vasiliy Vorobyev, head of the Main Directorate for Budget and Finance at the Defense Ministry. In an exclusive interview with an ITAR-TASS correspondent today, he said the Defense Ministry's expenditure on the Chechen operation has already exceeded 2,000 billion rubles. The debt of the troops that are currently deployed in this republic for food, petrol, oil and lubricants, and communal services amounts to more than 110 billion rubles.

In the words of Gen. Vorobyev, the troops carrying out the state task in Chechnya are receiving priority in financing, but the Defense Ministry does not even have enough money for the servicemen who come under fire from the militants every day and sustain losses in provocative clashes.

The situation that has developed over the payment of money allowances is particularly alarming, according to the general. The Black Sea Fleet sailors have not been paid since July and in many districts the August allowances have yet not been paid. In all parts of the Armed Forces people have not received the allowances for September. At enterprises of the defense and construction complexes the civilian personnel have not been paid wages for the fourth month running.

The Defense Ministry, Gen. Vorobyev said, has drawn up proposals for overcoming the crisis situation. They have been submitted to the legislators and the government, but no decision has yet been made. The general sees the reason for the deplorable state of the financing of the Army and the fleet in the mistakes made by the State Duma when it was adopting the budget for this year. Unfortunately, in the opinion of Gen. Vorobyev, the same mistakes are being repeated when defense expenditure for 1996 is being discussed.

Federal Assembly

Duma Sees Nation's Security as 'Unsatisfactory'

MK2010064395 Moscow SEGODNYA in Russian
19 Oct 95 p 2

[Report by Petr Zhuravlev: "Viktor Ilyukhin Has Challenged 'Legitimacy of the Political Regime.' Duma Has Given Authorities an 'F' for Ensuring National Security"]

[FBIS Translated Text] Yesterday the State Duma found the state of Russia's national security to be "unsatisfactory." Under the resolution passed by 227 votes, President Boris Yeltsin must present a draft national security doctrine to the country's Federal Assembly before 31 December this year, whereas the Duma itself must approve the 1996 budget "with due regard for" the need to raise the security level.

Viktor Ilyukhin from the CPRF [Communist Party of the Russian Federation], who authored the analytical memo distributed among the deputies, challenges that "the state of national security in Russia has reached a critical level. A real threat of losing Russia's statehood is imminent; economic and defense potentials are being destroyed; danger is hovering over territorial integrity and the reproduction of the population." According to his information, for instance, the downswing in some sectors in the last four years has amounted to 70-80 percent; the production of food has fallen by 30-40 percent; at the same time, the country has lost some 900 tonnes of gold (currently left are 120.2 tonnes of gold against 8,200 tonnes in the United States), and the total of Russia's debt is estimated by experts at $112.7 billion.

"Combat readiness of the country's submarine fleet, compared with 1991, dropped 5 or 6 times, and that of the surface fleet, by 10 or 12 times," Mr. Ilyukhin writes; "new artillery and missile systems in the ground forces account for 20-30 percent only." It has been noted that "only every fourth tank, every seventh armored personnel carrier, and every tenth infantry fighting vehicle meets present-day requirements," and all this being the case, "in 1992-1993, nearly 300,000 professionals left the defense complex research sector." It follows from the document that "from 20 to 40 percent of the Russian population are living on the verge of poverty; the number of suicides is increasing as well as the occurrence of psychopathologies. About 15 percent of Russian citizens take drugs once in a while or sporadically, and over 1.5 million take them regularly. Every sixth family encounters problems related to the use of alcohol. Annually, more than 500,000 of Russia's residents die from violence and unnatural causes."

Concluding his memorandum, Viktor Ilyukhin underscores that "in the majority of countries, the part of the population radically opposing the existing political system amounts to 10-20 percent. In Russia, this figure exceeds the 40 percent level, calling into question the legitimacy of the political regime."

Duma Ratifies CIS Convention on Human Rights

LD2010112395 Moscow ITAR-TASS in English
1101 GMT 20 Oct 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, October 20 (Itar-Tass) — The State Duma ratified the CIS Convention on Human Rights and Freedoms today.

The Convention was signed by heads of seven CIS states — Armenia, Belarus, Georgia, Kyrgyzstan, Moldova, Russia and Tajikistan — in Minsk on May 26, 1995.

The Convention will contribute to more effective protection of human rights and freedoms, including interests of the Russian speaking population in neighbour foreign countries.

Provisions recorded in the Convention envisage both the protection of general civil and political rights and freedoms and the protection of cocial, economic and cultural rights, the fulfilment of which is connected with the expenses item of the budget.

The CIS Human Rights Commission will supervise the fulfilment of the Convention.

Besides, the State Duma ratified the Treaty on Friendship and Cooperation Between the Russian Federation and Portugal and the Consular Convention Between the Russian Federation and the Latvian republic.

Federation Council's Abdulatipov Answers Questions

MM1910155295 Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 Oct 95 p 3

[Account of "Direct Line" phone-in discussion with Ramazan Abdulatipov, deputy chairman of the Russian Federal Assembly Federation Council, answering readers' questions; "discussion organized by Aleksandr Gamov and Arkadiy Khantsevich"; date not given: "Conversation With a Person of Caucasian Nationality"]

[FBIS Translated Text] [Reader] Hello, this is Sergey Ivanovich calling from St. Petersburg. Tell me, why haven't we seen you on television for a long time?

[Abdulatipov] There haven't been any achievements to report to my compatriots. As for appearing just for the sake of it.... Let others make themselves out to be great politicians, I'm just a simple man.

The War in Chechnya — Not Our Last Folly

[Reader] Ramazan Gadzhimuradovich! This is Fedor Savelyev from Moscow. First — how's your health?

[Abdulatipov] My health isn't going to make the doctors happy. Go ahead, friend, I'm listening to you carefully.

[Savelyev] I want to ask this question: Couldn't the Chechen crisis have been overcome by peaceful means?

[Abdulatipov] That could have been done a long time ago, if the top politicians had engaged their brains and cast aside their ambitions. Believe me, I tried to exert some influence on the president, on the government, on Dudayev, and on the Chechens. I proposed holding talks in December 1994 in Makhachkala with the participation of parliamentarians from Chechnya and Russia. The proposal was not adopted. Then, in March, we held a conference, drew up a special peace settlement plan, and coordinated it with the government plan. But we were not allowed to launch that plan either. I thought and I still think that until accord is reached among the Chechen leaders, Moscow will find it hard to get the talks process running smoothly.

[Reader] Good day, this is Samara Oblast Radio, Nikolay Nekrasov speaking. Do you think the Chechen crisis is the beginning of the destruction of Russia, or the middle or end of that process?

[Abdulatipov] The main point is that it isn't the end of our follies. I suppose the outbreak of the Chechen crisis marked, in effect, the end of national separatism and, unfortunately, the start of national chauvinism. Look at the election campaign, the Russian nationalism card is already being played. That's an even worse thing for Russia than Dudayev is.

[Nekrasov] Tell me, is there a realistic possibility, all the same, of halting this destructive process in the course of this year and drawing a line: either one thing or the other? Can the war be stopped?

[Abdulatipov] You know, if order, the rule of law, and democracy come to Moscow, they will certainly come to Groznyy, Tyva, and Samara too. Moscow and the Moscow politicians must define more clearly what kind of a state we are building, what we want, what we are striving for.

[Reader] Ramazan Gadzhimuradovich, shalom aleichem! This is Zakirov from Buynaksk. Judging from the press reports, Basayev is in Dagestan now. Don't you think that is an attempt to drag Dagestan into the Chechen war? And what do you see as the solution?

[Abdulatipov] Even if anyone does want to drag Dagestan into the war, it won't happen. The Dagestanis are capable of defending their own land, capable of answering for their own honor and dignity, and of course we won't brook any interference from outside. I myself and the Dagestan leadership are doing everything possible to ensure that that does not happen.

[Zakirov] Thank you. Can I ask another question? When did you last eat khinkal [meaning unknown]?

[Abdulatipov] I haven't had any for a long time, although I did eat pelmeni [kind of ravioli] yesterday with an old friend — my wife and I went to congratulate him on the birth of his fourth son. So in spite of all the actions against persons of Caucasian nationality, our people are still being born.

Moscow Calling: Shalom Aleichem!

[Reader] My name is Bariat, I'm from Makhachkala. My question is: What do you think about the recently formed Union of Muslims of Russia?

[Abdulatipov] You know, if our society was rallied around a specific idea, specific leaders, then we wouldn't need any unions. But since people sometimes can't get protection from the state or understanding from society, various unions are formed on national, territorial, and religious principles. There is nothing wrong with that. Only various kinds of sectarian and fundamentalist opposition ideas must not be allowed to come to the fore. Religion shouldn't become politics, and politics a religion. But Muslims' secular interests must be taken into account.

[Reader] Shalom aleichem!

[Abdulatipov] Aleichem shalom!

[Reader] I'm calling you from Kursk Oblast. My name is Magomed. Like you, I'm an Avar. And I'd like to ask you: What are you personally doing to put an end to the genocide against persons of Caucasian nationality in Russia? What do you think about all this?

[Abdulatipov] I think real Russians have nothing to do with this war against Caucasians. Just the other day I put a question to the General Prosecutor's Office: Have criminal proceedings been instituted in connection with the routing of Azerbaijanis on Moscow's markets? And another thing — I have set up a public committee for the protection of nationalities' rights, and a law on national minorities is being drawn up. Today, according to my calculations, representatives of national minorities in Russia number about 60 million, because in a number of republics Russians are in that position too.

[Magomed] You know: However people in Russia treat the Caucasians, that's how Russians will be treated in the Caucasus.

[Abdulatipov] If you'd read my recent message to the president you would have seen that that is exactly what I said.

[Magomed] And what was the reply?

[Abdulatipov] The president has given instructions for it to be looked into.

[Reader] Hello, this is Vladimir Naumov from the Moscow region. I travel a lot in Russia, I've been to the Caucasus and met with various people. And the other day, when I read your article in TRUD, I realized that you're not in possession of all the facts. Let me give you an illustration from real life. A relative of mine from Novokuznetsk once tried to sell, quickly and cheaply, part of the carcass of a piglet from his yard. The young Azerbaijanis who control the local market just laughed, and threw out the carcass and the old man. And the police pretended not to notice, because they make money out of these dealers. I think the ordinary Russian individual is humiliated today not only in the CIS, but even in Russia, in his own home. Forgive me, but after that, how are we to take your remarks about Russian nationalism?

[Abdulatipov] Let's look at this question slightly differently. You should say that in our country it is not just the Russian individual who is humiliated and insulted, but the individual as such. No matter whether he's Russian or not.... If things are bad for some people in this Fatherland, then they're bad for all of us! There's a Russian element in my home — my wife — and a Dagestani element — me. Nobody oppresses anybody. We live happily and in harmony.

[Reader] This is Ivan Kotov from Moscow. You are probably the only person of Caucasian nationality in the Russian leadership. How do you feel about that? And what is your attitude to that expression anyway?

[Abdulatipov] I feel fine being a person of Caucasian nationality. Everyone should have a sense of responsibility to his people and his culture. And he should not be ashamed to show his face. I've had policemen coming to my home too, with warrants to check on all persons of Caucasian nationality. It's very humiliating when people start persecuting each other on ethnic grounds. My father loved to repeat: You're a man first, and after that a representative of your nationality.

[Reader] Smirnov calling, Andrey Ivanovich, from Balashikha. Maybe my question isn't very tactful. Where do you live in Moscow?

[Abdulatipov] Cheremushki. So what?

[Smirnov] Not on Rublevka?

[Abdulatipov] No, I've had an apartment in Moscow since 1988, and I didn't become a deputy till 1990.

[Smirnov] So all these rumors that you got hold of the apartment that used to belong to [Duma] speaker Rybkin are untrue?

[Abdulatipov] What would a mountain eagle want with Rybkin's apartment? I've got two sons living at home, my wife, my mother-in-law, and my daughter is registered there. It's a three-room apartment. You can come and visit.

[Smirnov] OK. I'll write down the address.

[Abdulatipov] Write down the telephone number, we'll call one another, then we'll get together.

[Smirnov] Agreed.

Who Would I Go Scouting With?

[Reader] Good day, Shakhar Sanayev here. Two years have passed since October 1993, but I'm still wondering: What was the "White House" fighting for? Wouldn't it have been more honorable then for the Supreme Soviet to disband itself and declare the abolition of the Soviet system as such? After all, that system was responsible, according to various estimates, for around 80 million citizens who were shot. Plus the mass deportations of entire peoples....

[Abdulatipov] Look, I understand the question. But what are you saying? That way, you could find the culprits responsible for the victims of the Tatar-Mongol yoke, too! What does it have to do with me, friend? Me, someone who's alive today, like you? And why should I get shot at in the "White House"? After all, I didn't go there of my own accord. It was the people of

Dagestan who delegated me there. If some people shot and deported other people, does that give us the right to go on endlessly deporting and shooting? If every time we change the system it's done by means of a revolution, we'll never see an end to revolutions. And it's my conviction that revolutions are not creative, but destructive.

[Sanayev] All the same, the president gave the deputies the opportunity to run for election again and join the new power structures.

[Abdulatipov] Great! Thanks for not sending us to the camps. If a deputy is elected, he must be respected. If a president is elected, then please, respect him as head of state. If everyone, at whim, starts disbanding and killing, we'll be well away. And there will be millions of casualties again.

[Reader] Ramazan Gadzhimuradovich, hello, this is Irina from St. Petersburg, I'm an engineer and economist. There have been reports that the Constitution that is now in force was not properly adopted, fewer than 50 percent of voters voted for it. So is it legitimate, or not?

[Abdulatipov] You know, I have a whole lot of thoughts on this matter too, but no way would I want to call the existing Constitution into question. Since it is deemed to have been adopted, it must be followed. We have no alternative.

[Irina] Tell us frankly: After the shelling of parliament in October 1993, why did you run as a deputy again despite the humiliation?

[Abdulatipov] I had the voters behind me, and the shelling of parliament was directed not against me, but against my people. So I couldn't quit just like that. And also it was important to me to prove to my opponents and to myself that I'm worth something. That's why I ran in the elections.

[Irina] And do you intend to run for deputy again?

[Abdulatipov] If there are no elections to the Federation Council, I'll run for the State Duma. I have no alternative, either. My only chance of being involved in politics is to be elected. With my character, no boss is going to put up with me for long.

[Reader] Good day, Ramazan Gadzhimuradovich. This is Viktor Chepasov from Moscow, a civil servant. Mine's a trick question. Which politicians would you trust enough to go on a dangerous scout mission with? Would you go with the president?

[Abdulatipov] There was a time when I did go scouting with the president. And today I might go with a lot of politicians.

[Chepasov] Who, specifically?

[Abdulatipov] Shcherbakov, Zyuganov, Yavlinskiy. Well, I'd certainly go with Chernomyrdin, Luzhkov, Rybkin. I'd go with Rakhimov from Bashkortostan, Stroyev from Orel....

[Reader] This is Sergey Illarionov from Stavropol, hello. Can I inquire what your views are concerning the Duma elections? Who will win?

[Abdulatipov] Taking the broad view, I don't think Russia is going to win in these elections. But the Communists and "Russia Is Our Home" could gain victory. From the democratic camp, probably Yavlinskiy, Skokov, Lebed. At the same time we are not likely to see a force in the Duma that could influence, say, the formation of a new policy for Russia.

[Reader] Ramazan Gadzhimuradovich, this is Valeriy Nikolayevich calling from Neftegorsk, my job's been axed, I'm out of work. This is my question: Is it planned to adopt a law to remove from parliamentary currency the concept of deputies' immunity? So that criminal elements don't get into our Duma again.

[Abdulatipov] I'm in favor of such a law being adopted. But it should not become a loophole for the settling of scores with ordinary deputies. After all, most of the deputies are honest. And another point: As soon as a deputy begins actively defending his voters' interests, various bosses, from local to central level, may start persecuting him. You should protect us, and we should protect your interests.

Good luck to you. I hope you find a job soon.

[Valeriy Nikolayevich] Thanks.

[Reader] Hello, this is Yuriy Nikolayevich Karpov from Chelyabinsk. What mechanism for implementing democracy would you yourself propose so as to ensure that the authorities are aware at every moment of their responsibility to the people, instead of only remembering it when there are elections coming up?

[Abdulatipov] These mechanisms have been worked out and are in operation almost all over the world. They are also laid down in the Russian Federation Constitution. There are three powers. The first is the executive, which is supposed to implement the laws and report back to the people on this. The second is the one that issues the laws. The third — the judiciary — weighs everything up in the appropriate fashion and delivers the final verdict. If these institutions operate ineffectively, that is another matter....

But the most important mechanism is the people's sense of justice.

[Karpov] And that is slumbering? It will only wake up when the people realize that it is up to them to do something too. At the moment the majority are only worried about one thing: how to feed the family, how not to starve to death. What do they care about politics?

[Abdulatipov] A certain wise man said on this point that fools elect the government and wise men suffer. Many wise people don't turn out for the elections.

[Karpov] What's the point?

[Abdulatipov] We must turn out for the elections. Otherwise it's as if we want democracy to be sent down to us from above, in the form of some kind of circular.

[Karpov] But what about these "new Russians"? They don't produce anything, they only squeeze the last money out of our pockets. And they vote for democracy.

[Abdulatipov] Of course it's very hard for a hungry man to be a democrat. It's all very well if you're well fed. Well, good luck!

And Finally — a Caucasian Toast!

[Reader] Ramazan, this is Lyudmila Andreyeva Gromenko from Moscow. I'm sorry, I can't pronounce your patronymic properly.

[Abdulatipov] Yes, people in Russia have a lot of difficulty with my patronymic. There's a Tolstoy story called "Hadji Murat." He's my ancestor.

[Gromenko] What does your first name mean?

[Abdulatipov] I was born in the month of Ramadan [ramazan], so they gave me that name. What else do you want to know?

[Gromenko] Caucasian toasts. What would you wish yourself right now?

[Abdulatipov] Myself and you — 150 years without major refurbishment!

Regional Affairs

Chechnya Reportage; Military, Negotiations, Economic

Grachev: Talks Leading to More Fighting

LD1910144795 Moscow INTERFAX in English 1401 GMT 19 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 19 (INTERFAX) — Voicing doubt that negotiations in Chechnya are effective, Russia's Defense Minister Pavel Grachev has stressed at a cabinet meeting that peace talks lead to active fighting.

"It is not the military who unleashed the war in Chechnya", although some claim they did, Grachev said, adding that federal troops cannot stay in that republic without state funds.

He demanded that the government pay its debt to the war department and account for all federal expenditures in Chechnya.

Grachev forecast early active military operations by the army and police troops deployed in Chechnya.

Prime Minister Viktor Chernomyrdin interrupted him by saying that the resumption of war in Chechnya should be prevented by all means, and everything possible should be done to ensure a peace settlement by political means.

He added that 4.7 trillion rubles had already been spent on Chechnya's economy and its social sector.

He also reported that next Thursday he would invite federal department chiefs to a special meeting to discuss Chechnya's problems.

For his part, Finance Minister Vladimir Panskov said that his department checked how the money provided for economic and social reconstruction in Chechnya had been spent. He added that the government had already prepared proposals to amend the 1995 budget revenues and expenditures and would send these proposals to the State Duma for debate. According to Panskov, expenditures are planned to be increased by 11 trillion rubles with the bulk of them to go for the army and the Interior Ministry.

Dudayevites Warn Against Resumed Hostilities

LD1910200795 Moscow INTERFAX in English 1907 GMT 19 Oct 95

[FBIS Transcribed Text] GROZNYY, Oct 19 (INTERFAX) — An influential Dudayev supporter has warned the federal authorities against resuming hostilities in Chechnya.

"If federal troops resume hostilities, they will have to recapture the entire republic, because formations subordinate to Dzhokhar Dudayev are now stationed in almost all communities previously captured by the Russian army", member of the Special Observer Commission Akhmed Zakayev declared at a Thursday news conference in Chechnya.

He said Chechnya is on the verge of war and placed the blame on the Russian side, which bombed Chechen villages. If such operations continue, the Chechen side will have to respond appropriately, Zakayev said.

The leader of the southern flank of Dudayev's forces Daud Akhmadov said in this context that if the war resumes, the Chechen side would be inclined to spread hostilities to Russian territory because Russia should also feel what the Chechens have experienced.

"Basayev's action was a polite visit. There can also be a warning visit, or a visit of retribution," Akhmadov threatened.

He remarked that Russia only respects force and said that throughout the years of Russian-Chechen relations Russia has never observed bilateral agreements. "In Chechnya Russians act as conquerors, as victors, but that is wrong, we do not feel beaten. And we have something to say. We have the strength to sustain more than one winter campaign", Akhmadov said adding that the Chechens have greater resources for hostilities than in 1993-1994.

Zakayev urged healthy forces in Russia to prevent the resumption of any military operations and demanded guarantees of security to the Chechen population, the prevention of attacks on Chechen villages.

Without such guarantees Dudayev's side will not continue working with the Special Observer Commission or negotiate a peace settlement in Chechnya, Zakayev said.

Dudayev 'Human Shield' Operation Outlined

LD1910203795 Moscow ITAR-TASS in English 2024 GMT 19 Oct 95

[By Olga Semyonova]

[FBIS Transcribed Text] MOSCOW, October 19 (ITAR-TASS) — Federal troops in Chechnya came under rebel fire 1,336 times in the period between July 30 and October 19, with 651 attacks in Groznyy, a spokesman for federal troops told ITAR-TASS today.

The number of the attacks was 490 across Chechnya and 270 in Groznyy during first weeks of October, indicating that rebels stepped up hostilities when the Groznyy peace talks promised some success, the spokesman said.

The rebel activation coexists with increasingly frequent armed seizure of heavy duty trucks. This confirms intelligence reports to the command that Dudayev plans an operation using the human shield.

This means, the spokesman explained, that women and children will be herded into the commandeered trucks to be used as a live buffer by rebels in their bids to seize residential areas in control of federal troops. Civilian casualties, possible in shoot-outs, will be used by the rebels to fuel up anti-Russian propaganda, the command's representative said.

With this in mind, the Russian command issued a release exposing the rebel provocative designs and called on Dudayev's supporters for reason. The federal command warned that it would take every effort to avert the inhumane action to protect the civilian population.

Official on Attack at Serzhen-Yurt

LD2010092695 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1915 GMT 19 Oct 95

[FBIS Translated Text] Russian helicopters carried out missile strikes on the outskirts of the Chechen village of Serzhen-Yurt and also on the village of Beni-Khutor which lies two to three kilometers from it, Movladi Udugov, minister of press and information of the government of Dzhokar Dudayev, told Moscow Echo radio station.

According to preliminary information which Movladi Udugov received by radio telephone, in the second half of the day on 19 October Russian servicemen carried out an attack on Chechen civilians near Serzhen-Yurt. Udugov said that eyewitnesses saw burning motor vehicles on the approaches to the village from the direction of Vedeno. Toward evening, six to eight Russian helicopters flew to Serzhen-Yurt and began to deliver missile strikes on the outskirts of the village with the support of tanks, guns and other combat equipment.

According to reports, at 2200 Moscow time [1900 GMT], fighting was continuing in the vicinity of Serzhen-Yurt, Udugov said. He said that there were numerous casualties among the civilian population.

Udugov noted that only preliminary information had been received so far. Representatives of the main staff of the Chechen armed forces and the Special Observer Commission are to visit the scene of the incident on 20 October to find out the details of the incident.

Touching upon the situation in the Chechen village of Achkoy-Martan, Udugov stated "the situation there is so tense that the worst consequences of the provocative actions by General Shkirko and his team may be expected." Udugov said that "the village is practically blockaded, as is the village of Sernovodsk".

Shkirko Concerned About Coming Winter

LD1910151195 Moscow INTERFAX in English 1438 GMT 19 Oct 95

[FBIS Transcribed Text] GROZNYY, Oct 19 (INTERFAX) — Commander of the federal troops in Chechnya General Anatoliy Shkirko expressed concern over the federal troops' readiness for winter. He told a press conference in Groznyy Thursday [19 October] that the federal troops experienced a shortage of tents, stoves, and money to obtain equipment and even clothes.

"We are doing everything we can to supply the troops with clothes and footwear before cold weather sets in, and to create comfortable field conditions for them," he said.

Commander of the regular army troops in Chechnya Lt. General Aleksandr Naumov, who was presented at the press conference, said that his troops were 80% ready for the winter.

Shkirko also announced that neither a venue of further peace talks nor a place where the Special Observer Commission would work had been fixed yet "We must ensure the security of the participants in the peace talks and their smooth work without any pressure or meetings," he said.

The Russian side insisted earlier that the venue of the talks and the residence of the Dudayev supporters should be moved outside Groznyy. The Dudayev supporters opposed this idea.

Grachev Orders Troop Rotations

LD1910153495 Moscow INTERFAX in English
1441 GMT 19 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 19 (INTERFAX) — Russian Defense Minister Pavel Grachev has set new regulations on rotating Russian troops sent to troubled regions every six months, the defense ministry's information department told INTERFAX on Thursday [19 October].

This means a significant number of troops will be replaced over the next two months, including all privates and sergeants called up in spring 1994 regardless of the actual time they served in Chechnya. These troops will be replaced by fresh troops of the same unit.

Privates and sailors are entitled to a month's leave and sergeants and petty officers to 35 days under the now-amended conscription law, which provides for two years of national service instead of 18 months as before.

Lobov on Ways Out of Chechen Crisis

LD1910132195 Moscow Radio Rossii Network
in Russian 1100 GMT 19 Oct 95

["Exclusive" Interview with Oleg Lobov, "plenipotentiary representative of the Russian president in the Chechen republic," by an unidentified correspondent, place and date not given — recorded]

[FBIS Translated Text] [Lobov] First of all, of course, it is necessary to find ways to resume the talks. I think that we will be able to solve the issue on a venue for the talks and on the issues to be dealt with. It is vital that no one denies the need to continue them. This is the mood of the command of the internal forces and the new commander; this should be taken into account. We have a statement from the opposing side that in principle they are not against the talks.

It is obvious that it is necessary to think about enlarging the circle of talks' participants. The latest events connected with the illegal armed formations becoming more active show the need for this particular measure. We want to agree with the republic's government and the Committee for National Accord on the need to set up a headquarters to coordinate activities of all organizations on the territory of a district or town in all the republic's district centers and towns. They may be headed by either a representative of the territorial directorate or by the president's plenipotentiary representative in the Chechen republic. In this way the structure will envelop the entire territory of the Chechen republic and this would allow for systems for the control and coordination of work aimed at restoring normal life in Chechnya to be organized.

Boris Nikolayevich Yeltsin had a meeting with presidents of the republics within the Russian Federation. Boris Nikolayevich started it by presenting me as plenipotentiary representative. In his opening address he stressed the importance of normalizing life in the Chechen republic and of other republics, especially neighbors, participating in it and, of course, the importance of normalization for the whole of Russia. He stressed that the situation in Russia as a whole will be largely dependent on the what sort of situation is in the Chechen republic. This is our anguish and it has to be cured. The only cure for it is the talks and a peace process aimed at solving all acute conflict issues. That is what I have come with. We must work on reducing the number of provocations and terrorist acts, the senseless nature of which should be now understood by everyone who lives in the Chechen republic and outside it.

Lobov Criticizes Handling of Finances

LD2010111795 Moscow NTV in Russian
1900 GMT 19 Oct 95

[From the "Segodnya" newscast]

[FBIS Translated Text] At the sitting of the state commission for restoring the economy and the social sphere of the Chechen Republic, next year's plans and also how the work was being implemented now were discussed today [19 October]. Petr Surov, deputy chairman of the commission said that attention must be concentrated now on social payments and Groznyy's heat and energy supply. Meanwhile, during today's sitting, most of its participants complained of poor financing. Representatives of the Ministry of Finance were unable to explain clearly why that was happening. Financing in October was a cause of particular bitterness for those assembled.

[Begin unidentified male recording] The Ministry of Finance is carrying out complete sabotage. We will write a note to this effect. [end recording]

[Begin Oleg Lobov recording, plenipotentiary representative of the Russian president in Chechnya, identified by caption] The commission should act tougher. The proposal should be put to [Finance] Minister Vladimir Panskov that within three days the situation should be rectified, he should fall in line with the schedule, punish those responsible, and report to the state commission. Unless that is done within three days, a proposal will have to be put to the government regarding the minister. [end recording]

It is hard to say whether the Ministry of Finance will meet the demands that have been made or will find a reason not to. However, today's decision may affect the minister of finance. It may shake the position of Vladimir Panskov somewhat but it is unlikely to help find the money, which probably does not even exist at all.

Troop Chief on Army's Financial Plight

LD1910151595 Moscow ITAR-TASS in English 1449 GMT 19 Oct 95

[By Nikolay Zagnoyko]

[FBIS Transcribed Text] GROZNYY, October 19 (ITAR-TASS) — "A practically bankrupt state cannot finance an army in Chechnya, which is daily suffering losses from enemy attacks," ITAR-TASS was told by Lieutenant-General Aleksandr Naumov, commander of the group of federal troops in the Chechen republic.

He said that this group of troops already owes more than 110 billion roubles to its suppliers. The general explained that this money was spent on food, fuel, lubricants, and laundry needs.

He also said that, at the request of the command, Plenipotentiary Representative of the Russian president in Chechnya Oleg Lobov addressed a written message to Russian Prime Minister Viktor Chernomyrdin, outlining the financial straits of the troops.

Mikhaylov Flies to Groznyy

LD2010120295 Moscow INTERFAX in English 1110 GMT 20 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 20 (INTERFAX) — Russian Nationalities and Regional Policy Minister Vyacheslav Mikhaylov who heads the Russian negotiating team in Chechnya flew to Groznyy Friday morning, a ministry official told INTERFAX.

According to Ordzhonikidze Shchashchayev, head of the ministry's analysis and forecasting department, Mikhaylov flew to Groznyy at short notice on the Russian government's orders. Shchashchayev said he did not know Mikhaylov's agenda in Groznyy.

Nor did he know if Salambek Khadzhiyev, head of the Chechen Government of National Revival, and Umar Avturkhanov, chairman of the National Accord Council, have also flown to Groznyy.

Official on 17 Dec Election Conditions

LD2010122295 Moscow ITAR-TASS in English 1126 GMT 20 Oct 95

[By Igor Belskiy]

[FBIS Transcribed Text] MOSCOW October 20 (ITAR-TASS) — A senior official of the Russian Nationalities Ministry expressed doubts whether nationwide parliamentary elections can be held in Chechnya on December 17.

"So far it is hard to definitely state that elections to the State Duma will be held on the territory of the Chechen republic. Conditions for them are not ripe yet", Ordzhonikidze Schaschayev, the head of the analysis and prognosis department of the ministry, told a briefing on Friday.

Initially, the briefing was to be attended by minister Vyacheslav Mikhaylov, who is also the chief Russian negotiator at peace talks in Chechnya, however he urgently left for Groznyy early in the day.

Schaschayev said he knew nothing about the aim of the urgent trip.

The official stressed, however, that there was "no alternative to negotiations" in Chechnya despite all difficulties.

Schaschayev said he sees "no conditions for a possible participation of (Chechen separatist leader) Dzhokhar Dudayev as a political figure in the process of the peaceful settlement in Chechnya".

Various Agencies Vie for Control

MM1910141395 Moscow KRASNAYA ZVEZDA in Russian 19 Oct 95 p 3

[Article by Sergey Babichev and Vitaliy Strugovets: "Who Is Master of the House? Multiple Authority Merely Deepens the Chechen Crisis"]

[FBIS Translated Text] Probably no Russian territory has as many structures aspiring to power today as Chechnya does. Count them: the Government of National Rebirth, the National Accord Committee, the Supreme Council of the Chechen Republic, and, finally, Dzhokhar Dudayev, who still controls a sizable part of the republic. At the same time, each one declares that precisely it is the most legitimate organ of power exercising control over the republic. Admittedly, they admit for the time being that this is in different spheres....

Salambek Khadzhiyev, head of the Government of National Rebirth, for example, declared at a news conference in Moscow 17 October that he is in absolute control of the economic situation. Umar Avturkhanov, leader of the National Accord Committee, retains ideology for himself. The Supreme Council of the Chechen Republic, which was dissolved by Dudayev but has now met once again, aspires to legislative power. But Dudayev, as "president," considers himself the state's sole leader.

Which of these wields real power? By the way, in Chechnya the concept of "power" is highly original and means, above all, access to finances and the existence of its own guard detachments. But let us elaborate.

Salambek Khadzhiyev. He has certain access to the "oil faucet," since, by decision of the Russian president, the bulk of the proceeds from sales of Groznyy's oil must remain in the republic. The trouble is, however, that there is practically no oil being extracted. Things are no better with regard to armed forces: Only half the 500 staffers of the OMON [Special-Purpose Police Detachment] and the SOBR [Special Rapid-Reaction Section] of the Chechen Republic MVD [Ministry of Internal Affairs] are armed.

Umar Avturkhanov's detachments are somewhat more sizable. He also has authority as an "anti-Dudayev fighter." But Avturkhanov has no access to finances.

The newly assembled Chechen Republic Supreme Council has neither funds nor armed detachments. But juridically it is really the most legitimate organ of power. Doku Zavgayev and Ruslan Khasbulatov, who have entered the political life of the republic, have added to the Chechen "mosaic." But they can hardly really aspire to the role of master of the Chechen house today either. As the saying goes, he who comes along after a fire does not enjoy the respect of those who have lost their possessions.

Indeed, Chechnya at present is in the role of a child with seven nannies. Moreover, not all the nannies are on friendly terms with each other.

Communications Restored on Schedule

LD1910190195 Moscow ITAR-TASS in English 1456 GMT 19 Oct 95

[By Marina Barinova]

[FBIS Transcribed Text] MOSCOW, October 19 (ITAR-TASS) — "Communication, TV and radio broadcasting in Chechnya are being restored on schedule," Russian Communications Minister Vladimir Bulgak said on Thursday, summing up the results of the work for nine months.

He said 187.8 billion roubles was supplied from the budget to finance this work. There was a steady supply of funds which made it possible promptly to provide communication channels for federal bodies of the executive authorities in Chechnya, the Government of National Revival and federal forces in the Chechen territory. Special communications have been fully restored.

Almost the entire population of the republic now uses the services of communications enterprises, Bulgak said. A total of 217 post offices work regularly in ten districts of the republic, accepting and delivering letters, telegrams, central publications.

Pensions are paid without delays. More than 100 billion roubles were paid out to pensioners by now. As regards the restoration of radio broadcasting and TV services, not all problems have yet been resolved. The entire population of Chechnya listens to the radio while TV programmes are watched only in large populated localities.

A project for the construction of a retransmitting station of satellite communication is to be designed and built in Groznyy. There are also plans for the construction of 50 Earth satellite retransmitters to beam programmes of Vaynakh national television.

Regarding plans for the future, the minister said the implementation of the master plan for the development of the communications system in the Chechen republic will begin next year by specialists of the Russian Communications Ministry. This will require the sum of 785,400 million roubles.

Foreign Firms Suspend Reconstruction

LD1910194895 Moscow ITAR-TASS in English 1552 GMT 19 Oct 95

[By Ruslan Maysigov]

[FBIS Transcribed Text] GROZNYY, October 19 (ITAR-TASS) — Three foreign construction firms, two Turkish and a Swiss one, contracted to participate in restoration works in war-ruined Chechnya, have suspended their activities and evacuated a part of personnel, Musa Dzhamalkhanov, a minister in the Moscow-backed Chechen Government of National Revival, told ITAR-TASS on Thursday.

The companies have accomplished construction works up to 10 million dollars worth at their own expense, but the government failed to start their financing under a contract signed in May by the Government of National Revival.

According to the contract, each firm was to bring up to 3,000 workers to restore within 18 months over thirty major buildings in downtown Groznyy, including the Council of Ministers, the Interior Ministry, the city circus and a hotel.

Yeltsin Greets Congress of Far North Communities

MM1910143895 Moscow ROSSIYSKIYE VESTI in Russian 19 Oct 95 p 1

[Unattributed report under "President" rubric: "Northerners Can Count on Support"]

[FBIS Translated Text] The 11th Congress of the Union of Cities of the Polar Regions and the Far North is being held in Moscow. In a greetings message to the participants in that forum Boris Yeltsin pointed out that he shares their concern at the scale of the production slump and the drop in the population's living standards and voiced hope that "the corresponding program, which must be adopted as quickly as possible, will be a good basis."

Congress Deplores Center's Attitude

MM2010085095 Moscow ROSSIYSKIYE VESTI in Russian 20 Oct 95 p 1

[Report by Pavel Anokhin: "North Will Not Tolerate Cool Attitude. 11th Congress of Arctic and Far Northern Cities Held in Kremlin 18-19 October"]

[FBIS Translated Text] The North today produces one-fifth of our national income and around 60 percent of Russia's foreign-exchange revenue. At the same time, in the opinion of the congress participants, Moscow still sees the northern regions as some kind of add-on — even though they comprise two-thirds of Russian territory.

As Igor Shpektor, president of the Union of Arctic and Far Northern Cities, said, the high price of energy sources and the inclusion of northern supplements in the produce of output makes northern enterprises uncompetitive. The collapse of the consumer services sphere and the northern trading sector and the ending of housing construction have been a real disaster for northerners. Shipments of goods to the North have been disrupted for the umpteenth time. Mortality in northern regions recently rose by 31 percent, and the birth rate has fallen by 40 percent. All this is forcing people who live in polar regions to literally run away.

The congress delegates were addressed by Vyacheslav Volkov, deputy chief of the Russian Presidential Staff, who read out a message from Boris Yeltsin and also talked about the specific efforts being made by the head of state to solve northern problems. In Vyacheslav Volkov's opinion, special funds need to be set up to this end and provision needs to be made for tax relief.

In conversation with this ROSSIYSKIYE VESTI correspondent, Oleg Petrov, chairman of the "Stable Russia" all-Russia sociopolitical movement's executive committee, who presented a "northern" program to the congress participants, noted: "The federal center's attitude that [illegible] North is a raw-materials appendage threatens disaster not only for the North but for all of Russia."

Valentin Tsvetkov, chairman of the Federation Council Committee for Affairs of the North and Small Peoples, and Artur Chilingarov, deputy chairman of the State Duma, reported that a fundamentally new law for our country is in the pipeline — "On the Basis of State Regulation of the Socioeconomic Development of the North of the Russian Federation."

The congress participants appealed to the president and the Russian Government to accelerate the adoption of a consolidated state program for the social and economic development of the North.

Security Tightened Around Northern Fleet Factories

LD1910172795 Moscow INTERFAX in English 1442 GMT 19 Oct 95

[FBIS Transcribed Text] MURMANSK, Oct 19 (INTERFAX) — Security around factories, especially those operated by the Northern Fleet, and the Kola nuclear power station has been tightened in the Kola Peninsula Thursday.

Yuriy Sretenskiy, head of the regional Interior Board's press service, said that this was ordered by General Valeriy Krayev, the board chief.

All the patrol units of the special police force overseeing the airports, railroad stations, highways and checkpoints on the Norwegian border will be reinforced.

According to Sretenskiy, these steps were taken in the context of developments in Chechnya and the recent terrorist attack in Moscow. He recalled that the region had been placed under special rule by the governor's order of July 28 after the Budennovsk events.

Sretenskiy added that an increasing number of anonymous calls have been made about terrorist attacks on schools and kindergartens. The calls last week about bombs planted in a gymnasium and the Murmansk Maritime Lyceum proved false.

The increased security will remain in place until further notice, Sretenskiy said.

Far East Information Vacuum Due to Money Problems

LD2010091095 Moscow Russian Television Network in Russian 0800 GMT 20 Oct 95

[From the "Vesti" newscast]

[FBIS Translated Text] Russian Public Television and Russian TV channels are no longer re-broadcast in the Tuva republic. The head of the local TV and radio center said it is a forced measure and it has been taken in protest at wage arrears which have not been cleared for over half a year. In addition to this, in another region of Russia radio stations came to a halt today.

What has happened was doomed to happen. There have been warnings before. The Far East found itself in a complete information vacuum. The last radio station has been switched off. The last establishment of radio broadcasting and radio communications is silent. It helped spread state radio programs by providing technical means for the TV and radio companies of Ostankino and All- Russian State TV and radio channel Moscow. The debt of the aforementioned companies to communication workers totals 13 billion rubles. The latter, in their turn, cannot clear their 10 billion rubles debt to energy workers. Nobody gives fuel to energy workers for free. A serious threat has arisen that in the winter the region will simply freeze. The energy workers have resorted to ultimate measures by switching off electricity. The radio center in Khabarovsk was the last one. The radio center in Blagoveshchensk has been silent since July, the one in Komsomolsk-on-Amur — since September. Because of the steps by energy workers 340 hours of broadcasting a day are lost in the Far East.

Abkhaz Envoy Denies Interest in Separate Talks

LD1910143495 Moscow INTERFAX in English 1104 GMT 19 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 19 (INTERFAX) — The Abkhaz delegation led by Prime Minister Gennadiy Gagulia has no intention of discussing ways to reach a political solution to the Georgian-Abkhaz conflict separately.

As the head of Abkhazia's mission to Moscow Igor Akhba told INTERFAX on Thursday, the main issue the Abkhaz side wants to discuss in Moscow is ways to run and safeguard the section of railway that stretches between the Vesiolaya and Ingur Stations on Abkhaz soil.

As he said, the Abkhaz side believes that these measures should be taken by Abkhazia together with Russian representatives.

Akhba also mentioned Russia's willingness to shoulder preliminary expenses connected with efforts to restore railway traffic at the section in question.

All the issues connected with the railway "should be resolved only upon consultations with Abkhazia," he stressed.

According to Akhba, the Abkhaz delegation expects to have another meeting with Russia's Deputy Prime Minister Bolshakov, the chief Russian mediator at the Georgian-Abkhaz negotiations. The first such meeting took place on Monday.

Mufti To Be Charged for Tatarstan Building Seizure

LD1910135895 Moscow ITAR-TASS in English 1220 GMT 19 Oct 95

[By Nikolay Sorokin]

[FBIS Transcribed Text] KAZAN, October 19 (ITAR-TASS) — There is tension in downtown Kazan where Moslems encouraged by mufti Gabdulla-Hazryat, chairman of Tatarstan's Moslem Board, seized the former building of a madrasah on Monday. The organisations functioning in the building refuse to vacate the premises. To prevent clashes, militia and OMON police sealed off the building. The mufti turned for help to the Tatarstan State Council and to Moslems in all cities and districts of the republic.

Gabdulla-Hazryat told ITAR-TASS that for over two years he had been asking the authorities for the return of the building of Mohammadia madrasah illegally taken from believers in 1917. He said that in May 1995 the Tatarstan Cabinet of Ministers decreed that the organisations housed in the building be evicted. "We have entered the building. An Islamic University began working here. We shall never leave. We ask all Moslems of Tatarstan for help," the mufti said.

"This is an unauthorised, illegal seizure," Ilgiz Khairullin, Tatarstan Deputy Premier, told ITAR-TASS on Thursday. "At believers' request the government restored to them one building of the former madrasah and the mufti seized the other building which we decided to turn over to Mohammadia madrasah in six months after providing other premises for all the organisations occupying the building," Khairullin said. He said the actions by mufti Gabdulla-Hazryat are condemned by Moslems, including by rector of Mohammadia madrasah Venerulla-Hazryat, as the mufti encouraged violence and used underage pupils of the madrasah in these actions.

The Kazan public Procurator's office instituted criminal proceedings against mufti Gabdulla-Hazryat, the Tatarstan Deputy Premier said.

Economic Issues

Chernomyrdin: No Money Available To Raise Minimum Wage

LD1910202895 Moscow INTERFAX in English 1706 GMT 19 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 19 (INTERFAX) — Russian Prime Minister Viktor Chernomyrdin warned the State Duma that the government will not be able to find sufficient funds in this year's federal budget to raise the minimum wage, as planned by the deputies. He informed the lower house of this in a letter Thursday.

A draft law considered by the State Duma provides for an increase in the minimum wage from 55,000 to 63,250 rubles a month as of November 1, 1995.

The increase will necessitate an additional 1.7 trillion rubles, including 0.6 trillion rubles from the federal budget, he said.

The government proposed the deputies consider a stage-by- stage increase in the minimum wage: by 1.05 times to 57,700 rubles a month as of November 1, by 1.10 times to 60,500 rubles as of December 1 and by 1.15 times to 63,250 rubles as of January 1, 1996.

Duma-Government Economy Accord Key to IMF Talks Success

MM1910134695 Moscow FINANSOVYYE IZVESTIYA in Russian 19 Oct 95 p 3

[Report by Aleksey Portanskiy: "Moscow Counting on Expanded IMF Lending"]

[FBIS Translated Text] Government talks with an IMF delegation on a new loan for Russia — termed an IMF "extended borrowing facility" or an "extended lending program" — began in Moscow 18 October. Formally the loan amounts to 100 percent of the country's quota of IMF capital — that is, around $6.5 billion for Russia — and is to last three years. In actual fact it opens up far greater opportunities.

This loan is a standard IMF instrument used for countries which have achieved the first phase of financial stabilization. That is how it differs from the "systemic transformation" credit which was devised specially for the East European countries in transition from centralized to market economies, and which Russia had used prior to 1995.

The IMF has no serious complaints about Moscow's fulfillment of its economic program this year and is therefore prepared to conduct talks on a new loan. But in order for the talks to succeed, an absolutely necessary condition is that the government and parliament agree their program for the coming year.

The key figure in the budget is the average monthly inflation indicator, which the Finance Ministry and the State Duma are currently arguing about. The Finance Ministry's position of 1 percent monthly inflation remains acceptable to the IMF, since if a figure of 5 percent were used in the budget, experience shows that in practice the outturn would be 10 percent, and then there could be no question of financial stabilization any more. We can assume that the IMF will also agree to a possible compromise figure of 1.8 [as published] percent a year. It will ultimately be a question of the final inflation indicator for the year.

The IMF is proceeding on the basis of world experience: If annual inflation does not top 30-35 percent, we can assume that financial stabilization in the country has been achieved — in other words, price growth will cease to be so tangible, stratification by income will end, and interest rates will become relatively low, making loans accessible, which will create favorable conditions for investment.

Oleg Vyugin, chief of the Finance Ministry's Macroeconomic Policy Department, stressed in conversation with FINANSOVYYE IZVESTIYA that it is a question of the IMF having to be convinced that the Russian Government is setting itself precisely this target and that it will be enshrined in law.

More complex for the talks with the IMF than the inflation indicator for next year is the question of the level of tax revenue. If some kind of compromise is discernible on inflation, the range of opinions in the Duma on assumed tax revenue is so wide that a coordinated approach is unlikely to be possible.

The minimum amount received from the IMF in 1996 should be $2 billion, and $3 billion in loans from the Fund have already been provided for in the 1996 budget. But the advantage of the "extended credit" is that the money actually received could substantially exceed the size of the state's quota — to what extent and in what form is not yet known. This too will be covered by the talks. Moreover, in the event of the Fund and the World Bank approving the government program, Russia will acquire the reputation of a country where money can be invested — which will open up opportunities for inflows of new financial resources as well as for solving the debt problem.

Urinson Expresses 'Optimism' Over 9-Month Results

MM1910164895 Moscow ROSSIYSKAYA GAZETA (Weekend Edition) in Russian 20 Oct 95 p 3

[Report by Vladimir Kucherenko under the rubric "In Government": "First Three Quarters: Results"]

[FBIS Translated Text] "We have passed a difficult test" — so said Yakov Urinson, Russian Federation first deputy minister of economics, delivering a report at yesterday's government session on the preliminary results of the country's socioeconomic development in January-September. In his opinion the state of affairs inspires optimism, although the country had to withstand a drought and natural disasters, the upheavals in Chechnya, and foreign policy "complications." The fall in gross domestic product in the reform years has not been by half or by 40 percent, but by 32 percent. The decline in production in 1995 is expected to be 3 percent, whereas in 1994 it was 23 percent.

The overall decline has become differentiated. "Growth points" have been noted in chemicals and petrochemicals and in ferrous and nonferrous metallurgy. An increase in the volume of production has been recorded in a total of 21 regions of Russia.

But at the same time there are alarming trends. In agriculture, the fall in production over the year is expected to be 10-12 percent. The most dangerous situation now is on the grain market. The harvest is the lowest in the past 30 years — the drought, the impoverishment of the soils, and the shortage of fertilizers played their part. Even with the old reserves, 65 million tonnes of grain is only enough to last until June 1996, and next year's grain will not be ripe until August. Urgent measures are needed to normalize the situation.

The second "headache" is the investment crisis. The level of inflation in 1995 has proved to be at least twice as high as planned, and investments in production are too small. Although, the deputy economics minister notes, there is an encouraging sign — housing construction has gone up 13 percent. That is where state investments should be directed. But the "Housing" program is also on the brink of collapse. The real incomes of the country's citizens have also fallen 12 percent. However, the Ministry of Economics believes there is a chance of restoring them to the December 1994 level in terms of the demand for goods.

Finance Minister V. Panskov spoke about the results of implementation of the federal budget in the first nine months of the year. The income side was overfulfilled by 40 trillion rubles. However, the banking crisis in August meant that budget income has fallen sharply in October.

V. Panskov noted the lax monitoring of expenditure of budget funds and the failure as regards several sources of additional funds for the budget. These difficulties were increased by the need for above-norm financing of the Defense Ministry and the MVD [Ministry of Internal Affairs] and assistance to the Pension Fund.

The session took place in a difficult atmosphere. Dissatisfaction with inadequate financing was expressed by Labor Minister G. Melikyan, Culture Minister Ye. Sidorov, Science Ministry head B. Saltykov, representatives of the river fleet, the construction people, the Ministry for Emergencies, and the MVD. Yu. Shafranik, minister of fuel and energy, is worried about the investment crisis in the sector, the heavy tax burden on his enterprises, and the breakdown of the northern shipments campaign for certain oblasts. Defense Minister Pavel Grachev considers that combat operations in Chechnya will continue, and that therefore additional expenditure is needed for defense needs. When Premier Viktor Chernomyrdin observed that matters should be resolved by peaceful means, P. Grachev parried: That needs funds too.

As the head of government noted, it will be necessary to work in difficult conditions and find reserves. For instance, the Finance Ministry guarantees new revenue from the sale of state securities, and the Russian Federation Goskomimushchestvo [State Committee for the Management of State Property] an additional 5 trillion rubles from privatization by the end of the year.

Finance Ministry Hopes For Increase in Tax Revenue

LD1910174195 Moscow INTERFAX in English 1401 GMT 19 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 19 (FIA-INTERFAX) — Russia's Finance Ministry hopes for a considerable increase in tax revenue this year, First Deputy Finance Minister Vladimir Petrov has said. He was speaking at the Cabinet's session on Thursday as he presented a tax revenue forecast for the end of 1995.

Petrov said that the government hoped the VAT [value added tax] collected by the end of the year would be 16 trillion rubles above target, and the special tax, 2.8 trillion rubles.

Profit tax will be 21.4 trillion rubles above the expected level, as the likely mass of profit has been specified and the minimum wage changed.

The overall tax revenue this year is estimated at 166.7 trillion rubles.

Petrov said the Finance Ministry's experts relied on GDP estimates, the assumption that taxed turnover would reduce because of growing overdues, of the lifting of a number of tax benefits and the gradual elimination of a mechanism to reserve funds on the accounts of enterprises for wage payments.

Government To Move on Tax Shortfall, Avoidance

MM1910130395 Moscow FINANSOVYYE IZVESTIYA in Russian 19 Oct 95 p 1

[Report by Yevgeniya Pismennaya: "Government To Impose Controls On Citizens' Spending"]

[FBIS Translated Text] The total shortfall on payments to the budget currently stands at more than 50 trillion rubles [R] even though R175 trillion from all forms of revenue has already been collected, Finance Minister Vladimir Panskov stated at the "Russia's Tax System" conference organized by the Finance Ministry, State Tax Service, and the International Center for Financial and Economic Development.

The finance minister admitted that the country's tax system is currently "failing to fulfill its main function — of ensuring the full receipt of taxes by the budgetary system." Consequently, one of the aims of next year's tax reform is to create the conditions for the more complete collection of tax at all levels. This does not mean that an overall increase in the tax burden is in the offing — it is just that measures will be taken to improve tax administration and controls.

Slightly more than two-thirds of the shortfall is due to the fact that enterprises have been allowed to set aside funds for wages and other priority needs. Many enterprises are taking advantage of this allowance even when they do not need to do so. Consequently, as of next year the set-aside procedure will be abolished.

Next year the Finance Ministry and the State Tax Service are geared up for a vigorous battle against unrecorded funds. By a government decision a special commission has already been set up to solve this problem.

The Finance Ministry has submitted to the government a law on the declaration of income by all citizens when making major purchases. Vladimir Panskov hopes that this law will come into force as of next January.

In calculating budget revenue the government worked on the basis that it would be possible in 1996 to halt any further growth in the amounts owed by enterprises on payments to the budget, thereby increasing the level of budget revenue. It is planned to bring this about by gradually abolishing the preferential procedure for spending the funds entering enterprises' clearing accounts and by abolishing certain concessions which allow them to legally avoid taxation.

Although the government drafts show the overall tax burden reduced by 5 percent, Vladimir Panskov gave an assurance that next year people should not count on any further cut in tax rates.

While the finance minister was saying that "tax collection is currently our number one problem" and was citing the country's highest-ever level of shortfall on payments, Vladimir Gusev, leader of the Russian State Tax Service, was quoting figures confirming the results of the tax department's excellent work.

Tax receipts to the country's federal budget, which are controlled by the State Tax Service, are set at R96.2 trillion in the ratified budget for 1995, of which R70.9 trillion are accounted for by the first nine months of the year. Given the actual pace of the recession and the inflation rate, this tax revenue ought to have come to around R92 trillion over the past nine months. In actual fact tax organs have mobilized R99.2 trillion in tax payments for the federal budget during this period, which is 103 percent of the amount envisaged for the year. This is 240 percent more than the total payments received by the federal budget during the same period of 1994.

The proportion of tax payments in the first eight months of the year came to 9.7 percent of GDP as opposed to 7.5 percent in the same period last year.

Tax revenue is outstripping the GDP deflator and consumer price growth compared with last year.

The main reason for the "overfulfillment of plan" as regards tax receipts, in Vladimir Gusev's opinion, is that inflation is actually higher than was forecast at the start of the year. But, according to calculations by specialists from the State Tax Inspectorate for Moscow, each 1 percent of inflation boosts tax receipts by approximately 0.4 percent — in other words, tax receipts are considerably lagging behind inflation.

Enterprise Debts Near R200 Trillion as of 1 Sep

MM1910140595 Moscow PRAVDA in Russian 19 Oct 95 p 1

[Unattributed, untitled report under the "From the PRAVDA Own Information Bureau" rubric]

[FBIS Translated Text] As of 1 September 1995 the total outstanding debts of industrial, transportation, construction, and agricultural enterprises had increased by 8 percent on August and stood at 197.9 trillion rubles [R], the Russian Federation State Committee for Statistics has announced. Outstanding accounts payable 1 September totaled R187.4 trillion, while accounts receivable stood at R140.5 trillion.

Chechnya Causes Big Budget Cut

964F0153A Moscow ARGUMENTY I FAKTY in Russian No. 42, Oct 95 p 9

[Article by Valeriy Virkunen: "The '96 Budget: R5.5 Billion To Be Spent Daily Next Year on Chechnya"]

[FBIS Translated Text] The main enemy our pocketbooks have is inflation. The high cost of living is eating away at citizens' incomes just as rapidly as the government is increasing its expenditures. We see three main sources of inflation, or more simply, the pumping of empty money into the economy: **the budget deficit**—excess of state outlays over revenues, **preferential credits** being afforded to poorly operating state enterprises, and increasing **state outlays.**

The draft budget for next year that has been submitted for confirmation by the State Duma stipulates a monthly inflation rate of 1.2 percent. The excess of outlays over revenues will come to 23 percent. As we know, the outlays envisaged for 1995 were greater by 30 percent than revenues. The parliament is demanding increased state outlays.

Where will they come from? Not much is available in government revenues. With the existing perverse tax system, there is no organization that cannot in one way or another evade taxes. But this is just one reserve for replenishing the state treasury. A second resource also lies on the surface. At one time, **a third of the revenue portion of the budget consisted of taxes from the production and sale of alcoholic beverages.** Today the state is deprived of this money. A third source is monetary privatization. Over the first eight months of this year, however, revenues from the sale of state property have not entered the treasury.

The greatest deficiency of the '96 budget, of course, is the **expenditure of funds on the war in Chechnya.** As Minister of Finance Vladimir Panskov noted, outlays for rehabilitation of the Chechen economy are allocated in a separate line. It is envisaged that 2 trillion rubles will be directed to these ends over the course of 1996. The true scope of expenditures for the war, for rehabilitation efforts, and for the pilfering of budget funds overall is significantly greater.

Next year's budget is further complicated by the need to repay our debt on foreign loans. Some **$16 billion** is required to be paid. Russia will not be able to manage such an amount, and so the draft budget stipulates external payments amounting to **$8.3 billion.** But agreement still must be reached in this regard with creditors of the International Monetary Fund. And they will impose terms such that if inflation in Russia exceeds 1.2-1.5 percent, Russia will be unable to obtain either a deferral on payments or new credits. As Vladimir Panskov noted, **an exchange rate of R5,500 to the dollar** is affixed within the draft budget for next year.

As we can see from the draft, next year's budget will not bring any perceptible rise in standard of living for the majority of Russians. A positive aspect is the fact that the government intends **to reduce budget outlays** and conduct a policy of financial rehabilitation—to live within its means. In this sense we can hope to see consistency and a certain stability. But today things do not look good—in fact they could not be worse.

Implications of Monopoly Output Price Freeze Plan

MM1910110195 Moscow FINANSOVYYE IZVESTIYA in Russian 17 Oct 95 p 1

[Article by Yevgeniy Vasilchuk: "Government Looking Again at Nonmonetary Methods of Combating Inflation"]

[FBIS Translated Text] Premier Viktor Chernomyrdin announced last week that the government is ready to make the decision to freeze prices of the output of natural monopoly sectors. This news was subsequently neither confirmed nor denied by official government sources. It passed without comment from the mass media and the Presidential Staff. Nor did parliamentarians pay any particular attention to it during the head of the cabinet's appearance in the State Duma at the hearings on the first reading of the 1996 draft budget.

Despite a number of unfavorable factors which promise to produce a certain upsurge in inflation and economic overheating in the fourth quarter of 1995, there could seemingly be no grounds for the government to take such radical measures. The first half of October has displayed, by Russian standards, relative stability in the real and financial sectors of the economy and the foreign-exchange and money markets. The average daily inflation rate in October has not exceeded the corresponding values for September — 0.17 percent. The overall trend toward a stabilization of GDP and industrial production is being maintained. Polls show that enterprises are experiencing serious demand restrictions and are not planning to put their prices up. The crisis on the interbank loan market is only just being resolved.

The 1995 budget is being executed in pretty tough fashion. It is admittedly rather hard to explain the Finance Ministry's stated fulfillment of the revenue plan for January-September by 105 percent when there has been a 28-trillion-ruble shortfall. The inflationary "cushion" in the revenue base of the budget provides merely the semblance of an explanation. The inequality in budget expenditure, the bulk of which falls in the second half-year, will also further affect inflation. Nor will the rapid buildup in state debt pass without trace.

But all this will take place in 1996. At worst a noticeable strengthening in inflation is possible in December 1995. That would be the case if the government's optimism was even 50-percent justified. And then the modest price regulation for natural monopolies proposed by the Ministry of Economics would indeed have been sensible.

The government's readiness to completely freeze prices virtually as of tomorrow shows that it is by no means confident about its own inflation forecasts or about the controllability of the situation in the economy as a whole.

But whatever happens to the official forecasts, the premier's rehabilitation of "nonmonetary" methods for combating inflation puts us on our guard. Freezing the prices of the products of even a single sector — including a sector that is a natural monopoly — will sooner or later make it necessary to switch mixed sectors and subsequently the entire economy to fixed or, in scientific terms, parametric, "optimal" prices. And under Russian conditions this would virtually be a return to shortages and a planned economy, not to mention the concomitant renationalization of floated and privatized enterprises. At least in the base sector.

Such a turn of events is entirely possible. Moreover, if democratic political freedoms are maintained it could even be viewed as an alternative to the current economic policy — or, rather, lack of one.

But it is hard to actually imagine the mechanism for such a development in state economic policy — however comprehensively conceived it may be. Russia has gone too far down the road of liberal market reforms, albeit with some serious mistakes, to strive for economic revival via administrative-command methods. The opportunities for building a civilized system of state regulation of the economy — including the functioning of natural monopolies — have by no means been exhausted just yet.

Treasury Statement on Legality of Old $100 Bills

MM1910140995 Moscow PRAVDA in Russian 19 Oct 95 p 3

[Unattributed report under the rubric: "Pulse of the Planet"]

[FBIS Translated Text] The U.S. Government has prepared a special message for Russian and Ukrainian citizens to dispel the fears concerning the exchange of $100 bills. "The old bills will still be legal tender," a U.S. Treasury spokesman said. It is well known that two-thirds of all $100 bills are in circulation outside the United States, mainly in the former USSR.

Paper Cites Unemployment, Job Vacancy Data

MM1910160095 Moscow PRAVDA ROSSII in Russian 19 Oct 95 p 2

[EKOTASS report: "Half a Million Vacancies for All the Unemployed"]

[FBIS Translated Text] According to Russian Federal Employment Service data, there are on average five unemployed people competing for each vacancy in the country.

And this, according to Irina Milkhina, chief of the service's information publishing department, despite the fact that the number of vacancies on which the employment service has information has increased by 50 percent since the beginning of the year and is now more than 460,000 jobs.

There are real black spots. For example, in Ingushetia you find 396 unemployed people competing for a single vacancy. In Ivanovo Oblast, which is now traditionally one of the worst, you get approximately 80 unemployed people per vacancy.

36 Percent of Workforce Employed in Private Sector

LD1910121895 Moscow ITAR-TASS in English 1200 GMT 19 Oct 95

[By Lilia Kuznetsova]

[FBIS Transcribed Text] MOSCOW, October 19 (ITAR-TASS) — The number of people in Russia employed in the private sector made up 36 percent of the work force in 1995, thrice the number that were employed in the private sector when the economic reform began in 1992, according to the Institute of Economic Analysis.

Official statistics indicate that the share of income from entrepreneurial activity and the income from property considerably increased and, moreover, became decisive. This year, for the first time, the income from business surpassed the total of salaries and wages. In the first six months of 1995, salaries and wages in Russia made up less than 40 percent of total monetary incomes of the Russian population. Social benefits of all kinds amounted to 16 percent and incomes from property and business to nearly 45 percent.

However, the analysis showed that the biggest part of incomes still results from wages. They mostly consist of wages earned from additional activity. Economists believe that these are incomes of concealed employment or, specifically, second jobs. Over 12 percent of gainfully-employed population now hold down more than one job, while the number of officially registered unemployed makes up only 2.8 percent of gainfully-employed population or just over two million people, experts estimated.

Privatization of Coal Mines Depends on Stand of Regions

LD2010082495 Moscow ITAR-TASS in English 0729 GMT 20 Oct 95

[By Grigoriy Shalakin]

[FBIS Transcribed Text] KEMEROVO, October 20 (ITAR-TASS) — Further privatisation of coal mines depends 99 percent on a position of Russian fuel regions and only one percent on Moscow, said first vice-premier Anatoliy Chubays who arrived in Kemerovo, the capital of the Kuznetsk coal basin, on Friday [20 October].

He told reporters that a document will possibly be signed after his tour of cities and towns of the Kemerovo region concerning the second stage of privatisation of collieries and stripping mines.

The vice-premier's main task at a meeting of the interdepartmental state commission on problems of coal regions, which will be held on Saturday, is to hammer out principles for reorganisation of the coal industry in the Kuzbass.

In the opinion of Chubays, this will enable the government to work with miners not in a regime of a fire-fighting brigade by extinguishing seats of strikes but on a systematic basis.

The vice-premier will cross the Kemerovo region from north to south by a helicopter. He will see the full picture of developing the promising Yerunaksky coal deposit situated 40-50 kilometers east of the mining cities of Prokopyevsk and Kiselyovsk.

This is evidently the largest construction site in Russia now. The industry spends daily one billion roubles here to build roads, civil engineering installations and mines.

Prokopyevsk residets are waiting for a meeting with the first vice-premier. Many thousand families live in delapidated houses here. The Rosugol company lacks funds for their upkeep, let alone razing to the ground shantytowns and moving their inhabitants to well-appointed flats.

In the afternoon, Chubays will visit the Yurginskiy emgineering factory, turning into a centre of the Russian coal machine-building industry as a result of conversion of its production to peaceful footing.

Kemerovo will be the venue on Saturday for a visiting meeting of the above-metioned interdepartmental state commission on coal regions to be chaired by Chubays.

International Affairs

Shmarov Rules Out Joining Military Alliance With Russia

AU1910183395 Paris AFP in English 1817 GMT 19 Oct 95

[FBIS Transcribed Text] Simferopol, Ukraine, Oct 19 (AFP) — Ukraine will not join with Moscow in any future military alliance aimed at countering NATO, and does not intend to seek full membership of the western alliance either, Defence Minister Valery Shmarov said here Thursday [19 October].

Reacting to a recent veiled threat by Russia to create a new military bloc to counter an eastward expansion of the North Atlantic Treaty Organisation, he said: "Ukraine is a neutral state, which is not a member of any bloc and will not take part in any military bloc."

The minister told AFP that his country, which like other eastern European states has joined NATO's Partnership for Peace scheme, "is currently looking at ways of cooperating with the western alliance."

"But Ukraine would under no circumstances join NATO's management structures," he added.

Russia has been showing increasing hostility to the eastward expansion of NATO, and on September 25 Defence Minister Pavel Grachev warned that if any of the three former Baltic republics of the Soviet Union — Estonia, Latvia and Lithuania — were to join, Russia would "create its own alliance."

"We are against East European countries joining" NATO, Grachev said. "Whether it happens slowly or rapidly, we are against."

"If we begin to talk in those terms, we might as well go back to a situation of confrontation between military and political blocs," Shmarov said Thursday.

Shmarov's statement, made during a visit to the autonomous region of Crimea, came on the same day that Russian President Boris Yeltsin said he was sacking his foreign minister, the strongly pro-western Andrey Kozyrev.

The move was seen as symptomatic of a hardening of Russian attitudes against the West in general and NATO in particular.

Russia's 'Strategic Course' Criticized

WS1910134595 Kiev SILSKE ZHYTTYA in Ukrainian 12 Oct 95 p 3

[Article by Tetyana Sylina: "The CIS Train Has Been Offered a 'Strategic Course.' Ukraine Is in No Hurry To Stand in Line for a Ticket"]

[FBIS Translated Text] To all appearances, the already notorious "Strategic Course of Russia Toward Developing Relations With CIS Countries" was born without assistance from the Russian Foreign Ministry. This conclusion seems to be natural even after a superficial glance over the document's blunt wording, which makes it look more like a manifesto. Such an assumption has become a certain fact after CIS foreign ministers, who gathered in Moscow for a meeting, were only treated to vague statements by Andrey Kozyrev instead of a comprehensive explanation. As for who concocted the manifesto, society was denied that knowledge. There are many institutions and officials who consider themselves experts on foreign policy issues, including the Commonwealth Affairs Ministry and the Duma Committee for CIS Affairs and Relations With Compatriots, as well as "analysts" of the [Russian Defense Minister] Grachev and [KGB Chief] Korzhakov mold...

Constructiveness Is Our Principle

However reserved they were on the the "Strategic Course" issue, the Russians were all ready to discuss their policies. As for the document, the agenda of the CIS foreign ministers summit (many of its issues were not proposed by the Secretariat but the Russian side) is an express sign showing that its implementation has already started. Although not particularly enthusiastic about this fact, the CIS countries have regained the gift of speech. Upon returning from Moscow, the Ukrainian delegation (led by Deputy Foreign Minister Kostyantyn Hryshchenko) noted with pleasure: For the first time ever, the Ukrainian stance was consistently supported by many states. In the past, on the eve of every summit, they whispered into our ears: "You guys are our last hope." During the summit, however, they would rather keep quiet and watch Ukraine "throwing itself at the tank." Outspoken about its refusal to dance in the crowd, Ukraine appeared to outside observers as a lonely heretic confronted with isolation.

This time, we have chosen a different path, thinking not only about whether, and why, proposals made by integrators from Moscow are not suitable for us, but also why they are unacceptable for others. And it turned out that if you convincingly point out an unfounded and premature nature of an idea, they start to listen to you. If a Moscow proposal is unacceptable, you can come up with your own. Our delegation went to Moscow with two proposals: To examine the issue of CIS states's support for returning deported citizens, and signing an agreement on cooperation in border areas. As for the latter, this proposal stems from Ukraine's desire to enforce the notion of "state" rather than "internal" or "external" CIS borders — the words which were used in the previously signed border agreement. Opponents find it difficult to disagree with us. The wording of the Ukrainian side is quite genteel: "... the contractual parties shall step up their efforts regarding the legal support for their common borders." This document is universal and does not run counter to the one that is valid right now. It just allows states that reject the already signed document to cooperate on border-related issues (for example, to fight against contraband and smuggling of drugs and radioactive substances). Uzbekistan, Moldova, and Azerbaijan actively supported us on this issue. The draft agreement was returned for revision, but Ukraine is resolved to put it on the agenda of the next meeting.

Will We Build Our New Bloc?

Perhaps animated by the item in the "Strategic Course" talking about "encouraging intentions" by the Collective Security Treaty members to "unite into a defensive union based on common interests and military and political goals," signatories of the Tashkent Treaty (Ukraine did not sign it) approved a set of documents about financing and activities of the Collective Security Council. But we have got a small setback here: One should yet find those "common interests and military and political goals." As of today, there is no clear concept of the collective security system in the CIS. Nor has it been decided against "who" or "what" the Commonwealth should defend itself. Besides, who is supposed to defend it? After the collapse of the Soviet Union, only Russia and Ukraine were left with big armies. The rest of the states have "toy" armies that are short of equipment, qualified officers, and recruits. One can understand their intention of hide under someone's "security umbrella." It is unlikely, however, that everyone will feel comfortable under such an "umbrella," because everyone has different geopolitical interests. Therefore, one can state that the CIS collective security system is presently nothing more than a political slogan.

A Third-Rate Train Car Is Not Suitable For Us

The integrators had less luck when a set of issues concerning international cooperation and peacekeeping forces were discussed. Not everyone agreed with Kozyrev's statement that "unlike other regional organizations, the CIS managed already in the first years of its existence to consolidate enough strength to conduct peacekeeping operations in the zone of its responsibility." Ukraine declared its firm belief that peacekeeping forces and observers can only work as part of the United Nations or OSCE projects. As for the submission to the 50th session of the UN Assembly a joint initiative regarding a joint preparation to a meeting of the OSCE Foreign Ministers Council and the cooperation between the CIS and ASEAN [Association of South-East Asian Nation] proposed by Russia, we displayed firmness here: The CIS is not a subject of international law, and we are against delegating any powers to it.

Russia once again wants all of us to pack into a crowd and set out in a third-rate car of the CIS train staying the "Strategic Course." As Ukraine is in no hurry to stand in line for a ticket, we, as always, were confronted with offended sniffs and resentments. By why invent the wheel? Many international organizations — the EU, for example — have acquired vast experience in handling many issues. Decisions can only be approved after each country expresses its consent and as a result of long discussions. In addition, no [member] country ever thinks about proclaiming itself a "leading force." Ukraine is not at all against holding consultations. On the contrary, we consider them to be very helpful. But do not let us restrain ourselves with some limits and leap in one bed, which every time proves a Procrustean bed.

Marchuk on 'Core' Ukrainian-Russian Agreements

LD1910200895 Moscow INTERFAX in English 1934 GMT 19 Oct 95

[FBIS Transcribed Text] CARTAGENA, Oct 19 (Interfax - Ukraine) — The core Ukrainian-Russian economic agreements should be signed before the end of November 1995, Ukrainian Prime Minister Yevheniy Marchuk said during his visit to Colombia.

Marchuk told Ukrainian reporters in Colombia that he meant agreements on trade-economic cooperation between Ukraine and Russia in 1996, agreements on gas supplies to Ukraine and transit of Russian and Turkmen gas through Ukrainian territory. He said these agreements "should begin working from the beginning of next year."

Marchuk said that as well as meeting at the CIS Moscow summit on November 3, the Ukrainian and Russian prime ministers might hold a bilateral meeting in November.

Marchuk said Ukraine believed the agreement on bilateral trade-economic cooperation should include a provision concerning the regulation of free trade between

Russia and Ukraine. "If Russia leaves in place the list of 200 goods which are not subject to the free trade regime, the free trade regime will cease to be de facto," he said.

Marchuk said he believed that the situation concerning free trade within the CIS "is getting more complicated rather than easier" following the creation of the customs union between Russia, Belarus and Kazakhstan. He said that after the treaty on the customs union came into effect Ukraine and Kazakhstan would have to coordinate their bilateral trade relations with "supranational structures."

"Ukraine accepts the idea of a customs union but with equal conditions for everyone," Marchuk said.

Marchuk on Lack of Progress on Black Sea Fleet Talks

LD1910213895 Moscow INTERFAX in English 1935 GMT 19 Oct 95

[FBIS Transcribed Text] CARTAGENA (COLOMBIA), Oct 19 (Interfax - Ukraine) — Ukrainian Prime Minister Yevheniy Marchuk believes that there has been "practically no progress" at the Ukrainian-Russian talks on the Black Sea Fleet lately.

Stumbling blocks at the talks are the location of bases in Sevastopol, terms of leasing the infrastructure and of leasing payments, Marchuk told Ukrainian journalists in Cartagena, Colombia, Thursday.

Speaking about draft agreements on the issues presented by the Russian side, Marchuk said that experts had just begun studying them. The prime minister said that he had met with First Deputy Russian Prime Minister Oleg Soskovets in Cartagena and they agreed to speed up the work.

According to Marchuk, the Ukrainian part of the working group will be headed by Vasiliy Durdinets, deputy prime minister in charge of security and emergency situations.

Marchuk said that the talks are not stuck, though the Russian election campaign is interfering in their course.

He also said that during all upcoming meetings with Russian leaders the Ukrainian side will try to persuade Moscow to sign a political treaty as soon as possible.

Kuchma Skeptical of Membership in CIS Unions

LD1910225095 Kiev UT-1 Television Network in Ukrainian 1900 GMT 19 Oct 95

[No video available]

[FBIS Translated Text] Ukrainian President Leonid Kuchma today reaffirmed his position with regard to the customs and military union in the CIS. He told a visiting adviser to the Uzbek president, [word indistinct] Dzhurayev that Ukraine was getting no benefits from the customs union. As for the military and political union, we did not and will not join, the president said.

The two officials agreed on the need to develop closer ties between individual countries, such as Ukraine and Uzbekistan. Dzhurayev handed Kuchma a personal message from Uzbek President Islam Karimov.

Udovenko Supports Plans To Reform United Nations

LD1910214395 Moscow INTERFAX in English 1803 GMT 19 Oct 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] KIEV, Oct 19 (Interfax-Ukraine) — Ukraine supports plans to reform the U.N. by turning the organization into an effective center of joint actions designed to settle regional conflicts, protect human rights and resolve such problems as threats to the environment, disarmament and drug trafficking. This statement was made by Ukrainian Foreign Minister Hennadiy Udovenko, who addressed a solemn conference held in Kiev Wednesday to mark the 50th anniversary of the U.N.

The conference was attended by Ukrainian President Leonid Kuchma, Parliament Speaker Oleksandr Moroz, government members and representatives of the diplomatic corps.

As Udovenko said, Ukraine understands projects designed to reform the U.N. security Council, particularly involve Germany, Japan and some other nations in the Security Council more actively. Nevertheless Ukraine believes that any expansion of the U.N. Security Council must take into account the geopolitical importance and interests of Eastern Europe, Udovenko said.

According to him, preventive diplomacy should become a top- priority direction in the U.N. peace-keeping activity.

Udovenko pointed to the need to analyze today's concept of using such a specific international coercive mechanism as sanctions. The experience of using sanctions on Yugoslavia has revealed their lack of success, he said. We believe that sanctions must not turn into an instrument for punishing peoples, he added.

Decorations instituted by Ukraine's president were presented at the conference.

Kuchma Stresses Germany's 'Special Role' in Ukraine

AU1910123095 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 14 Oct 95 p 1

[Report by UKRINFORM correspondent Anatoliy Hryhoryev from Kiev: "Leonid Kuchma Has Confirmed Germany's Special Role in Building the Ukrainian Economy"]

[FBIS Translated Text] "I never made a secret of the fact that Germany has played a special role for Ukraine, mainly in building the Ukrainian economy," said Ukrainian President Leonid Kuchma on 12 October to journalists immediately after the meeting with the delegation of state secretaries of German Federal ministries headed by Hans-Friedrich von Ploetz, state secretary of the FRG Ministry of Foreign Affairs. This role was confirmed by the meeting with such a large team, which has arrived on the commission of Chancellor Helmut Kohl, he said.

National Affairs

Shmarov: Ukraine Developing New Military Doctrine

LD1910213595 Moscow INTERFAX in English 1935 GMT 19 Oct 95

[FBIS Transcribed Text] SIMFEROPOL, Oct 19 (Interfax - Ukraine) — Ukraine is developing a new military doctrine based on new realities, Ukrainian Defense Minister Valeriy Shmarov told a joint meeting of the Crimean government and the Defense Ministry collegium in Simferopol Thursday.

Shmarov stated it was impossible to proceed from the assumption that the surroundings are hostile, like in the Soviet times, and that "our military forces should withstand an integrated enemy."

This is why Ukraine dropped strategic missile forces and long-range bombers, he said. The rest of the army is also subject to adjustment and reorganization, he added.

Shmarov stressed Crimea was overloaded with troops. Over 500 military units are stationed on the peninsula. It is proposed to cut their number to 350.

Defense Minister Visits Crimea, Comments on Bases

WS2010090195 Kiev INTELNEWS in English 0217 GMT 20 Oct 95

[FBIS Transcribed Text] Simferopol, Oct. 18 — Ukrainian Defense Minister Valeriy Shmarov arrived Wednesday in Crimea to inspect the peninsula's military facilities, Shmarov said. [as received] The defense minister participated in a celebration of the second anniversary of Ukrainian Naval Air Force. Shmarov also visited the Ukrainian Space Forces base in Yevpatoria, which controlled the first Ukrainian satellite, Sich-1. "There are many military bases in Crimea," Shmarov told journalists. "I am going to meet with Crimean Prime Minister Anatoliy Franchuk and local councils to discuss solving the problems of military bases in Crimea." Shmarov said that a host of problems exist in Crimea due to the fact that the peninsula is a militarized region. Black Sea Fleet facilities in the Myrniy and Novoozernoe villages are in no condition to be transferred to the Ukrainian Navy, Shmarov said.

The facilities must be upgraded to working standards and prepared to withstand the winter, according to the minister. Ukrainian Navy officials are currently negotiating with BSF and Russian Navy commanders to arrange the final transfer of the bases.

"We set legal and proper conditions because the bases are not ready for the winter," the minister said.

Only after these arrangements are finalized will these facilities be placed under jurisdiction of the Ukrainian Navy or placed at the disposal of the Crimean or Ukrainian governments, Shmarov said. The people's interests should not be infringed, he added. Shmarov also said that Ukraine is not ready to transfer the Naval Forces headquarters to Kiev at this time. However, he noted, the necessity of such a move may arise in the future.

Parliament Approves Appointment of New Prosecutor

LD1910142395 Kiev UNIAN in Ukrainian 1315 GMT 19 Oct 95

[FBIS Translated Text] Kiev — The Supreme Council of Ukraine on 19 October passed a resolution relieving Vladyslav Datsyuk from the post of Prosecutor-General of Ukraine in connection with a request submitted by him to this effect.

On 19 October the Ukrainian parliament in a secret ballot approved the candidacy of Hryhoriy Vorsinov to the post of Prosecutor-General of Ukraine. 230 deputies voted in favor and 30 against out of 260 people's deputies who took part in the vote. 307 deputies received ballot papers.

The Supreme Council heard a report by Hryhoriy Vorsinov who was nominated to the post by Ukrainian President Leonid Kuchma.

In his speech Hryhoriy Vorsinov said that the main task of the Prosecutor-General's Office was to oversee abidance by the laws of the state and stressed that the political dependency of the Prosecutor-General's Office was inadmissible. In his words, reforms would take place in the state only if everyone, from rank and file citizens to the most senior official, respected the law.

Speaking about his attitude to the death penalty in Ukraine, Hryhoriy Vorsinov emphasized that "it was necessary for the moment" however, he spoke in favor of abolishing the death penalty for certain crimes. "The death penalty has a certain educational aspect to it," he said.

Speaking about his attitude to those political organizations that are calling for the revival of the Union, Hryhoriy Vorsinov said that "nobody would drag Ukraine back into the Union — anyone who thinks so is incapable of seeing reason".

Representatives of all groups and factions who addressed the session, supported Hryhoriy Vorsinov's candidacy. Representatives of the Supreme Council Commission for Issues of Combating Organized Crime and Corruption spoke out against his candidacy.

Parliament Criticizes Prosecutor Over Zvyahilskyy Case

LD1910183595 Kiev UNIAN in Ukrainian 1315 GMT 19 Oct 95

[FBIS Translated Text] Kiev — The Ukrainian Supreme Council has approved a resolution "On the submission by the Prosecutor General's Office on the pre-term suspension of people's deputy Yukhym Zvyahilskyy's powers." In accordance with the resolution the parliament draws the attention of the Prosecutor General's Office to its superficial approach and to the fact that the law of Ukraine "On the status of Ukrainian people's deputies" and to the procedure on preparing and forwarding documents regarding the pre-term suspension of Yukhym Zvyahilskyy's powers were violated.

The parliament decided to return the prosecutor general's submission insofar as it did not correspond to the norms of the legislation in force, was not sufficiently substantiated, and contained prejudicial information.

The Supreme Council Commission for Issues of Law and Order has been instructed to monitor the progress of the investigation into the Zvyahilskyy affair which is being conducted by the Prosecutor General's Office.

In his speech to deputies, Petro Sheyko, chairman of the Commission for Regulations, Deputies Ethics and Provision for the Activities of Deputies, said that Zvyahilskyy had provided all the documents confirming that he had Ukrainian citizenship, did not own real estate in Israel, and was not returning to Ukraine since he feared for his life.

Petro Sheyko proposed making changes to the law of Ukraine "On Ukrainian citizenship" in order to get rid of various interpretations of some of its articles.

Government Commission To Examine Picketers' Demands

LD1910144195 Kiev UNIAN in Ukrainian 1315 GMT 19 Oct 95

[FBIS Translated Text] Kiev [no dateline as received] — Ukraine's Deputy Prime Minister Anatoliy Kinakh will hold a meeting with trade union leaders, and a government commission has been set up to examine the picketers' demands. This was stated by First Deputy Prime Minister Pavlo Lazarenko at a meeting of the Cabinet of Ministers.

He said that the talks would continue throughout the day. The picketing of the Cabinet of Ministers of Ukraine has ended. A final decision will be adopted on the basis of the results of the meeting between the government commission and trade union leaders.

Report on Ongoing Feud Between Orthodox Denominations

AU1910140495 Kiev HOLOS UKRAYINY in Ukrainian 14 Oct 95 p 4

[Report by Roman Vatrych: "We Have Seized the Winter Palace and Will Also Take Over the Monastery"]

[FBIS Translated Text] The Union of Orthodox Brotherhoods of the Moscow Patriarchate Ukrainian Orthodox Church disseminated a statement on the intention by certain political forces to seize the Pochayivska Lavra [monastery].

The statement reads that "anti-Orthodox forces are planning on 14 October 1995, on the day of the church feast of St. Mary the Protectress [Pokrova] of the Ukrainian Cossackdom, under the pretext of the struggle against Sabodan's [head of the Moscow Patriarchate Ukrainian Orthodox Church] fifth column, 'Muscovites,' and 'traitors,' to seize the Pochayivska Lavra, the holy place of the World Orthodoxy, to evict from there monks who are praying for Ukraine and for the entire Orthodox community, and hand the monastery over to Greek Catholic Basilians, or, for the time being, to the Ukrainian Orthodox Church run by the Kiev Patriarchate."

The authors of the statement warn that the monks and pilgrims will not surrender the Holy Lavra peacefully and, therefore, blood of new believers may be split, something that will "sharply intensify the processes leading to an ideological withdrawal of the Orthodox Eastern Ukraine from the predominantly Catholic Western Ukraine."

The Union of Orthodox Brotherhoods appeals to the president, Supreme Council, and Government of Ukraine with a request to prevent such a development of events.

Metropolitan Filaret Unopposed for Orthodox Leadership

WS2010084195 Kiev INTELNEWS in English 0217 GMT 20 Oct 95

[By Oksana Hasiuk, INTELNEWS Staff Writer]

[FBIS Transcribed Text] Kiev, Oct. 19 — Metropolitan Filaret, the Kiev Patriarchate Ukrainian Orthodox Church's acting patriarch, emerged Thursday as the unopposed candidate to fill the miter of the late Patriarch Volodymyr Romanyuk.

In addition to Filaret, the KPUOC Bishops' Assembly had nominated five other high-ranking holy men for contention to the church's top spot: Andriy, archbishop of Lvov and Sokal; Yakiv, metropolitan of Lutsk and Volhyn; Nestor, archbishop of Cherkasy and Chernihiv; Danylo , metropolitan of Chernivtsi and Bukovyna; and main Filaret's competitor — Andriy, metropolitan of Halychyna and head of Ivano Frankivsk KPUOC branch. However, the other five all declined in writing to accept the nominations in favor of Filaret, parliamentary deputy Mykola Porovskyy said Thursday. Porovskyiy is also a member of the KPUOC's high council.

The Bishops Assembly includes the church high council and pre- assembly church committee.

The All-Ukrainian Church Assembly to elect a new patriarch is scheduled for Friday through Sunday.

The Church Assembly, according to church statute, has the right to add candidates for the position in addition to those proposed by the Bishops' Assembly. Additional nominees should be supported by 20 assembly delegates, 10 of whom must be bishops.

Filaret founded the KPUOC in 1992 by support of then-President Leonid Kravchuk and Ukrainian parliamentarians. Besides the KPOUC, there are the Ukrainian Autocephalous Orthodox Church (UAOC), founded in 1921 and recreated in 1991, and the Ukrainian Orthodox Church affiliated to Moscow. Various religious and political leaders have recently called for one unified Ukrainian Orthodox Church. UAOC Patriarch Dmytriy earlier this month said that his church cannot unite with KPOUC if Filaret heads the church. Filaret previously was accused of KGB ties.

According to Filaret, about 10 Ukrainian politicians sit on the church assembly to elect the patriarch. Lilia Hryhorovych, a parliamentary deputy who initiated creation of the Church Unity deputy association, is among the assembly delegates. Hryhorovych said that 56 deputies have signed a statement to create the association and more parliamentarians are continuing to hop on the bandwagon.

Church Unity said it enjoys the support of President Leonid Kuchma and Prime Minister Yevhen Marchuk, as well as Parliament's leadership.

Deputies said they will negotiate with all churches to unite them into one body.

Economic Issues

World Bank To Extend Further Credit Within Next 2 Years

LD1910220195 Moscow INTERFAX in English 1909 GMT 19 Oct 95

[FBIS Transcribed Text] KIEV, Oct 19 (Interfax-Ukraine) — The World Bank has decided to extend to Ukraine $700 million worth of credits, out of which $500 million has already been disbursed.

Head of the World Bank's office in Ukraine Daniel Kaufmann told Interfax-Ukraine today that the World Bank planned to extend another $2 billion to Ukraine within the next two years.

Ukrainian Deputy Prime Minister Igor Mityukov told reporters in Kiev today that World Bank President James Wolfonson would make an official visit to Ukraine in mid-November.

Mityukov said such an agreement had been reached during the Ukrainian delegation's official visit to New York for the annual session of the IMF member-states and the World Bank.

Deputy Prime Minister Pynzenyk Views Reforms

WS1910120095 Minsk BELORUSSKAYA DELOVAYA GAZETA in Russian 12 Oct 95 pp 6, 7

[Interview with Deputy Prime Minister Viktor Pynzenyk by Pavel Sheremet; place and date not given: "It Is Impossible To Carry Out Experiments in a Separate Country For a Very Long Time" — first two paragraphs are BELORUSSKAYA DELOVAYA GAZETA introduction]

[FBIS Translated Text] **An individual is composed in such a way that his actions are either publicly assessed or contradict the actions of other people. At the level of Philistines, this is manifested in a constant competition of dresses, equipment, and intellect; at the level of states it is manifested in comparing GDP. Moreover, the worse things are inside one's own state, the more the people of this state are concerned about the destiny of their neighbors. We have repeatedly heard from our statesmen that the situation around Belarus is bad and "it is possible to catch crocodiles and grow coconuts" only in Belarus. But more and more often, these statements look like ritual incantations and have distant relation toward the tough economic reality in our neighboring countries. The economic development of Ukraine is one proof of this. It has already become a sign of the "bon ton" of the Belarusian political system to be sorry for the Ukrainian people. But we should rather be concerned about ourselves.**

To better understand the economic state of Belarus, thanks to the active participation and assistance on the part of M.S. Kunyavskiy, president of the Belarusian Association of Entrepreneurs and Leasers, we have managed to meet with Ukrainian Deputy Prime Minister Viktor Pynzenyk — who is sometimes called the father of Ukrainian reform — and discuss the economic situation in Ukraine.

[Sheremet] Any economic reform comprises three processes: macroeconomic stabilization, microeconomic development, and structural reform. It appears that in Ukraine these processes were not synchronous. Can you specify the priorities of Ukrainian reform?

[Pynzenyk] Any microeconomic stabilization is impossible without macroeconomic stabilization. What should be done to stabilize the situation at the microeconomic level? What does an enterprise need? Working capital and investments. These are two factors for the resuscitation and development [of production]. Working capital cannot be resuscitated without stabilization. If anyone wants to conduct an experiment, he is welcome to do so. Truth be told, I am sorry for the people. At any period of time, when there was high inflation in Ukraine, its working capital was only eaten away while the current financial situation of enterprises was becoming worse. Investments, however, did not arrive. Investments need accumulation of capital, and no one can accumulate capital against the background of hyperinflation, because hyperinflation devalues money. This resembles a cat running after his own tail.

Tendencies that are absolutely necessary for stabilization emerged this year, and they will be strengthened if reform is completed. This is what Russia has not gone through, and that makes it impossible for it to ensure a real growth of production.

Structural reform will come later. There is also a delay in other sectors, although it is a normal thing and all countries have to go through it.

The first stabilization measures have led to significant results. I can mention several measures. First of all, the macroeconomic situation has become manageable now. If last year many things were unclear (we reduced the budget deficit to 10 percent at the end of the year), the current situation is overseen by the government. Up to now, we still kept the planned budget deficit. The national currency rate has become stable. The real karbovanets rate has increased 2.5-fold against the dollar rate, because prices increased 2.5 times quicker than the official karbovanets rate. A natural devaluation of the dollar took place. The flight of foreign currency and the strengthening of the karbovanets are currently taking place. However, in Ukraine cries are heard to the effect that this situation was caused by the IMF credits. This is not so. When many exporters shouted that they are not satisfied with the currency rate and that export is impossible, this demonstrated that there were structural problems, but not with the currency rate, because the Ukrainian National Bank purchased more foreign currency than it sold at the time.

Another positive development — the accumulation of foreign currency reserves — has also taken place. Our national foreign currency reserve now stands at $2 billion, while we began with very small amounts.

The third tendency refers to the fact that for the first time the living standards of people began to improve. It never increased before. We, however, have not increased wages by administrative measures this time (apart from the state budgetary sectors and pensions). Over nine months of this year, the real wage increased 18 percent. Slowly — 3-4 percent monthly — but the increase in wages continues. Regrettably, not all people realize that it is impossible to restore the previous living standard in a year. But it is better to increase the living standard slowly than to decrease it. Current real wages stand at a $50 equivalency, and this is twice as much as in October 1994.

Interest rates on credits are decreasing quicker than inflation. Commercial banks were late with their response. In July, the interest rate on credits was 6.8 percent monthly and inflation was 5.2 percent. Before, we dealt with such figures as 300-400 percent. Hence, conditions for long-term and investment credits became more favorable. Extremely important steps have been taken, but they are still insufficient for the resuscitation of production.

[Sheremet] In general, it is significant that young researchers who are not burdened with any economic or party experience often become the initiators of economic reform in East European countries. The success of their activities lies in the fact that these reformers successfully implement the scientific expertise, doctrines, and market norms which they have accumulated.

[Pynzenyk] I would have cast doubt on the tenet that there are some programs according to which reform is done. Nothing but common sense is the basis for any activities. In 1993, we drafted a program for reform that did not repeat any economic program. It was a complex of stabilization measures without which the development of production is impossible, and the market has shown that this theory turned out to be correct. The current situation in Ukraine entirely proves our forecasts.

Sometimes the people do not understand that stabilization of production is necessary and must proceed ahead of all other measures, although it requires unpopular decisions, particularly liberalization of prices. To reduce budgetary expenses, a tough monetary policy is needed. Fortunately, over four years we could witness both positive and negative results: We entered the stage of stabilization twice. However, last year the stabilization was artificial because our debts to Russia stood at $1.5 billion. There are practically no debts now and stabilization is preserved. Precisely thanks to this, production increased on a quarterly basis last year; it increases this year as well — in the second and third quarters.

Another important development is observed: Working capital — real working capital in comparative prices — has been restored. Given high inflation, working capital is not increased but is decreased. If one looks at the dynamics of working capital, one can see that it increased not when the monetary mass was replenished, but when there were no credit and emission infusions.

[Sheremet] Nevertheless, why is the flight of working capital taking place at the initial stage of reform anyway? This crisis in working capital is almost the primary constituent of the economic crisis that involves the entire economy.

[Pynzenyk] I will explain this. There is a rule, which regrettably, not everyone understands: The increase in working capital can only occur when there will be no any emission replenishment at the expense of credits issued by the Central Bank. At the time of low inflation, there was no replenishment at all, but working capital in Ukraine increased by 78 percent over three quarters (in real figures). But when we replenished working capital on a large scale, it increased 38-fold in 1993. But its real size was 2.5-fold less than at the beginning of the year. The flight of working capital occurs due to several reasons:

First, an enterprise sells its products and holds money on its bank account. But given high inflation, this money is devalued with every passing day. A bank pays low interest rates on a current account; a bank cannot pay high interest rates in order to protect [its customers] from inflation. Why? Because this money is not safe. This money can be asked for at any time and it is extremely risky to invest it. For example, today inflation stands at 80 percent, while tomorrow it will stand at 40-50 percent. Which level of inflation should one be oriented toward? Therefore, even fixed deposits do not protect from inflation.

The second reason is the delay in payments. It is not so important where it occurs. But if there is a 100-percent inflation and I am not given my money back immediately, an amount that I will receive in a month will be half the original value.

The third reason is as follows: An enterprise pays taxes, but at the time of inflation the real tax rate turns out to be considerably higher.

In addition, inflation leads to the redistribution of income and a change in the structure of consumption: The greatest portion of money is spent on food. The consumption of durables drops sharply; the domestic market stops to work for enterprises producing such goods. Factories cannot receive resources for their development. This monetary mass is accumulated. There is nothing terrible if it is invested in the economy, if it comes back. But this does not take place. These are the reasons for the flight of working capital.

[Sheremet] Although at the beginning of reform no one mentioned financial stabilization, you began to discuss this issue after some time passed, in a year or two. Yes, reform must be based on the restructuring of the financial system; on the change in the mechanism for issuing credits to industry; on the change in both the structure of expenditures of enterprises and mutual relations between commercial banks and the Central Bank, as well as between the state and enterprises. The change in these relations has triggered sharp inflation, and then a crisis in working capital. Only then we begin to speak about financial stabilization. Anyway, with what does real reform begin?

[Pynzenyk] Always and everywhere it begins with financial stabilization. Indeed, we did not deal with it from the very beginning. But there were also correct decisions related to the liberalization of prices from which it was necessary to begin. Liberalization of prices is a strong lever of financial stabilization. The preservation of subsidies and prices would require several budgets; one would have to forget about pensioners; and teachers and physicians's salaries would not be paid. Such an imbalance in prices, such emissions imply the collapse of the financial system. Many people do not entirely understand this measure. But this is the same thing as when a counterfire is used to extinguish a fire. To suppress prices, price liberalization must be carried out. Regrettably, this was done not soon enough. Although there were attempts back in 1992, they were constantly upset either by seasonal emissions or the agricultural sector.

[Sheremet] There were rumors recently that monetary reform will be conducted soon and a full-fledged national currency will be introduced in Ukraine. On the one hand, do you think that these plans are too daring and inadequate for the current financial situation in the country? The karbovanets was devalued by 30-40 percent just in August-September. On the other hand, does this imply that because this reform is being delayed for an indefinite time — until the spring of 1996 — you are too far away from final financial stabilization?

[Pynzenyk] I do not know if this should be explained in Belarus; but, regrettably, this must be done in Ukraine. Until now, many economists have not understood that Ukraine has its own national currency. The problem, however, lies in something else. Monetary reform can be carried out in any situation. Of course, experience cannot be copied without considering conditions. For example, the German experience does not suit us. Germany implemented reform at the time of high inflation, and they were forced to carry out serious confiscatory measures. Moldova implemented reform simultaneously with the liberalization of prices. We have already done this. Given our current 4.6 percent inflation, to invent something of the kind would be like a death sentence. The developments in August were not triggered by objective reasons; there was only a subjective factor that is very powerful in a market economy, but which the people do not want to consider. The devaluation of the karbovanets against the dollar rate by 10,000-15,000 karbovantsi [K] was prompted by an experiment, a next attempt to tread on the rack: By adopting a decision to not prolong a quarter emission to 90 days but introduce it quicker.

Confiscatory reform can create great problems, primarily for the people. It is now impossible to keep any information secret. Even an attempt to avoid an answer to the question about monetary reform implies a "yes" answer. In Ukraine, however, one-third of the monetary base — K230 trillion — is in the shadow [economy], outside of banks. What will happen? The people are smart, everyone will try to rescue his money by investing it in foreign currency or commodities. This is the most dangerous thing, and could blow up prices. What will take place then? We will adjust social protection to prices and will artfully let loose the fly-wheel of inflation.

[Sheremet] Generally speaking, how did the concept of monetary reform emerge if there were no foundations for it?

[Pynzenyk] You know, monetary reform could be and had to be implemented, because there was the positive factor of people's expectations. But such expectations are not worth anything on their own unless they are supported by a relevant policy. Therefore, considering the people's faith, a certain fetishism [as published], and an opportunity to take measures, not much work remained to implement the most unique option of reform connected with the adjustment of the currency rate. For example, the karbovanets currency rate could be adjusted to that of the dollar, the mark, or the ECU. It is possible to keep this rate within a year and receive a powerful stimulus for development. But monetary reform can be carried out if the level of inflation is below 1 percent.

[Sheremet] The agricultural sector is one of the sore points. How is privatization of agriculture being resolved in Ukraine? The thing is that some people consider that the destruction of collective and state farms implies hunger in the country.

[Pynzenyk] I support this viewpoint. One should not destroy anything; everything must proceed naturally. Privatization of land is an important thing, but it would be better to begin with mutual financial relations. There is no seasonal inflation in Ukraine this year. We did not grant sizable credits to the agricultural sector. In addition, a very good thing — related to operations at the agricultural stock exchange — has taken place. Collective farms obtained direct access to exports. No matter whether you are a resident or not, you can purchase and take your merchandise away. Rural areas also received noninflationary resources — $270 million; at last, an inflationary tax was not imposed on rural areas. Last year, we purchased grain at $80 per tonne; in three months its cost was $30 per tonne. The difference in prices, however, is appropriated by neither the collective farm nor even the budget. But today, when collective farms operate through the stock exchange, they receive real resources. On 14 August, however, under the guise of grain purchases, quotas were restored. I can tell you what happened. The stock exchange turnovers have never been below trillions. There was even a K7-trillion turnover (this is $50 million). A week ago, the stock exchange turnover was K28 million. Collective farms are not currently selling their products either to the government — because it does not pay money, but if it does pay, it pays with fake, inflationary money — or to the stock exchange. We have created a paradoxical situation: We do not pay to collective farms [for their products], but they need financial resources for a new harvest. We also do not grant collective farms an opportunity to earn money themselves. This must not be the case. Today, one of the central issues of preserving financial stabilization is granting market access to collective farms. I want to say that a revolutionary change in the people's consciousness has taken place. Agrarians have realized what the stock exchange gives them and they are trying to catch it.

[Sheremet] Since the industrial sector must be privatized by force, do you think that the agricultural sector must be privatized without any force?

[Pynzenyk] First, it must be privatized through farms' restructuring. Second, I have spoken with a few chairmen of collective farms. Arable land cannot be split up because our agricultural equipment is meant for big farms. This process should proceed naturally. Many collective farms are now in good shape. They will undergo some reform in time, but this must not be done by force.

[Sheremet] One often hears that the national economic complex of the USSR was unified. When the USSR collapsed, the independent republics' economies were not ready to function on their own. In Ukraine, for example, there are too many metallurgic factories; as regards Belarus, its assembly plants are dying. In your opinion, which sectors of Ukrainian industry will be closed down and which must be created?

[Pynzenyk] Let us begin with the first question. When we say that we have lost contacts, we proceed from the postulates of an old economic system, when a portion of production was given away and a portion was left at an enterprise. There is a new a coordinate system now. Nothing is given away, everything is sold. Such a small thing as money is needed.

Broken ties? There are artificial and normal things here. Many ties were artificial and will never be restored. Reorientation is currently taking place. This is absolutely normal. Many ties were specially broken by people who cannot calculate, who decided to organize a natural economy [naturalnoye khozyaystvo], but if they had calculated, they would have realized that it is often more profitable to buy something in Russia or Belarus than to establish national production. When they say today that nonpayments between states emerge, I do not see this problem. There is the problem of the financial situation at Ukrainian, Russian, and Belarusian enterprises.

Yes, no one rejects structural reform today, because there are many useless things in the economy. Structural changes imply not only the creation of something new, but also the death of old structures. I would not raise the issue of sectors. Structural changes are very often reduced to problems of a sectoral nature. Structural problems, however, that are most clearly manifested by nonpayments, are seen already at the level of each specific enterprise. This is the task of the second stage of reform, because financial stabilization has specified: This is a sore point. But there are no funds for the second stage of reform. There are viable sections at many enterprises now. For example, an enterprise is closed down, but there are viable sections that must be given an opportunity to function independently. Only two conditions must be put to them: The obligatory restoration [of production] (they can produce anything they want) and the hiring of people to reduce the unemployment. Indeed, the machine building sector in Ukraine is in a difficult situation. First of all, this was triggered by inflation. There are no investments. If there are no investments, the machine building industry — the machine building complex — always suffers. Second, restoration can never be begun with the machine building industry, aside from those sectors that are working for the market. Restoration must be begun with sectors producing consumer goods. If the restoration of light industry is on track, there will be demand for machines, and metal will be needed.

Regrettably, one extremely serious mistake has been made in Ukraine. The VAT on imported goods is not collected in Ukraine. It is imposed on consumption of goods irrespective of their origin. If taxes are not imposed on imported goods, our goods will never be able to compete with them. This is the discrimination of national producers. Therefore, the greatest decline is taking place in sectors working for the people. If this sector cannot stand up on its own feet, it will not pull along other sectors.

[Sheremet] You think that one should not deal with individual sectors in Ukraine, do you?

[Pynzenyk] No, from the strategic viewpoint, it is necessary to do so. But it is more important to take care of enterprises — sick enterprises. The restructuring process is going on without any control in Ukraine. It is necessary to render assistance, to provide an impulse.

It is necessary to deal with each individual enterprise of a sector and recover it, even to close down some enterprises. The closing down of two-three enterprises in a sector will lead to a revival in the entire chain of sectoral enterprises. For example, two loss-making mines with the highest prices for coal have been closed down. As a result, coal and coke became cheaper. Metal also became cheaper. In general, everything became cheaper in the economy. The reverse movement will also begin. If, for example, one begins with the most malfunctioning enterprises, it will turn out that there are now not so many bankruptcies. Because, in every sector, the most sick, most malfunctioning enterprises are a burden on the remaining ones.

Very speedy privatization is needed today. It is needed for social reasons, to ensure jobs. As a rule, over recent years, all new jobs have been created in private enterprises. Restructuring, however, is connected with dismissing the people; therefore, a mechanism is needed to absorb these dismissed people.

Yes, capital has been accumulated. It has been accumulated not due to reform but to inflation, that is, due to the absence of reform and stabilization. This money is available, but it is impossible to take advantage of it. No one has managed to take money out of Switzerland. Measures for liberalizing currency regulation are not needed to return foreign currency. There should only be an interest to do so. Money comes legally [to Ukraine]. One of the legal forms is foreign investments. Most investments in Belarus and Ukraine are legal de jure, but de facto it is our national money that is coming back. Therefore, one should not open any specific channels. Only a stimulus — a stable financial situation — is needed.

[Sheremet] We are still failing to establish normal bilateral Belarusian-Ukrainian ties, try as we might. Why does the Ukrainian leadership regard the concept of a single customs zone quite critically?

[Pynzenyk] We have already signed an agreement on free trade with Russia. There is, however, a difference between us: Russia has a positive payment balance, while Ukraine has a negative one. No one can accept the free trade system with such a poor payment balance. Ukraine has no customs duties on its exports, while Russia has them. Russia collects customs duties from 90 percent of Ukrainian exports. As regards Ukraine, we cannot introduce customs duties on exports; from this perspective — we have free trade.

Regarding customs duties on imports, we are obliged to introduce them because we have a negative payment balance and problems with our budget. In addition, Ukraine is short of energy resources. Our economies differ essentially. Therefore, it seems to me that it is premature to speak about a customs union. Documents have also been signed with Belarus, and they are also ineffective. They are effective now, but will become ineffective due to the customs union with Russia. It is out of the question for us to have no customs duties while Russia has customs duties on its exports to Ukraine.

[Sheremet] Well, the argument of the Belarusian Government comes to the following: The establishment of a single customs union is favorable for the selling of Belarusian goods in Russia. At the same time, Belarus receives cheaper energy resources and somewhat supports the industry.

[Pynzenyk] This is a political decision. I do not understand why Russia should sell its oil for $70 per tonne and not receive revenues for its budget. Ukraine now has a $2.5 billion trade balance deficit. So, we have signed an agreement on free trade. Given free trade, there must not be any customs duties either on exports or imports. Russian domestic prices are lower. But Russia takes this difference in prices when it exports goods to Ukraine. If it does not leave this difference in prices in Russia, it implies taking the burden of $2.5 billion on itself. Is there any economic sense in it?

[Sheremet] You consider an expansion of the customs union through Ukraine joining is impossible in the immediate future, do you not?

[Pynzenyk] I can confirm the words of our president. We will not at the moment join the customs union.

[Sheremet] Ukraine has enormous debts to Russia. Given all this, your position towards Russia is quite independent and tough.

[Pynzenyk] When issues are resolved by holding negotiations this is a normal form of discussion between two sides. If we think about our peoples and not about any political ambitions, we can give more to the people by means of mutual cooperation. What does the concept "Russia" mean for us, or what does the concept "Ukraine" mean for Russia? Markets. Because Russia, Ukraine, and Belarus now have problems selling their products. When production is restored and the real standard of living is improved, the volume of markets increases. This influences both Russia and Belarus positively. We have an economic interest in restoring our relations, and we have no interest in thwarting one another. We now pay to the Russian Gazprom more than Russian consumers do. I think that, first of all, we should be guided by economic interests: As regards the purely economic viewpoint, how long could the people be tortured? All of us have an interest in developing our national economies. This is the mutual impact on one another.

[Sheremet] During presidential elections, Leonid Kuchma was regarded as a red director; he defeated Kravchuk with a small numeral superiority due to the fact that many thought that his arrival will imply the restoration of fraternal friendship between our peoples and the incorporation of Ukraine into the Russian Federation. Nevertheless, the past year has shown that the Ukrainian leaders' nationalism and striving towards sovereignty are quite strong. Why — four years after the USSR collapsed — did it become popular to be a nationalist in Ukraine?

[Pynzenyk] First of all, what is implied by nationalism? It is wrong to regard the people's wish to live in their national state as nationalism. Nationalism, or even Nazism, is the situation when one nation demands privileges compared with other nations. I have not heard that someone's rights have ever been infringed upon in any part of Ukraine. If there are such cases, there are similar ones both in Russia and Belarus. There are a lot of fools everywhere. Second, I think that no one has done more to restore relations with Russia than Kuchma did. I have already provided data on the favorable conditions created for trade with Russia. No unification programs can do this. Third, Kuchma was running in the Ukrainian presidential elections. This would have implied a failure to justify the people's confidence [as published]. If there are any problems connected with the procedures for visiting our states by our peoples, they should be removed. Our people now do not need political debates regarding where life is better. We often find reasons for justifying inactivity and the deterioration of the economic situation. They are not connected with unification. Does this imply that someone will give us products as a gift? No one will do this. Reform must be implemented to ensure our ability to purchase. This is a normal and natural wish of an individual who has taken upon himself the burden of responsibility for economic reform.

Belarus

NATO Delegation Meets Foreign, Defense Ministries, KGB

WS2010093395 Minsk Radio Minsk Network in Belarusian 0800 GMT 20 Oct 95

[FBIS Translated Text] A delegation headed by the assistant to the NATO secretary general, Mr. von Moltke, which arrived in Minsk yesterday, has met with officials of the Belarusian Foreign, Defense, Economics, and Interior Ministries, as well as with experts of KGB and research institutes.

The aim of the visit by the NATO delegation is to acquaint the Belarusian side with the recently published studies on NATO expansion.

According to Mr. von Moltke, nothing but the resolving of confrontation in Europe has become the primary prerequisite for expanding the alliance's borders.

Minsk Wants Part of EU's Chernobyl Cash Offer

LD1910231795 Moscow ITAR-TASS World Service in Russian 1609 GMT 19 Oct 95

[By BELTA correspondent Eduard Pivovar for ITAR-TASS]

[FBIS Translated Text] Minsk, 19 Oct — Belarus will not raise the issue of compensation for the cost of the Chernobyl clean-up operation at international judicial authorities. Prime Minister of Belarus Mikhail Chyhir told journalists this after his tour of irradiated areas of Gomel Region, which he completed late in the evening yesterday. He said that in spite of the 10-year period for presenting claims, which is expiring, there is absolutely no surety that the republic will receive anything.

Mikhail Chyhir said that another option is being looked into by the government. The European Union offered $500-600 million to Ukraine to close the Chernobyl nuclear power station. According to the prime minister of Belarus, leaders of Ukraine demanded $4 billion to close the station. The European Union is looking into the Ukrainian proposal and could well accept it because the station is a danger for all European countries. In that case, Belarus will ask for some of the money to compensate it for the cost of dealing with the aftermath of the disaster, said Mikhail Chyhir.

More on Lukashenka Aide's Visit to Iraq

WS2010082195 Minsk BELAPAN in English 0745 GMT 20 Oct 95

[FBIS Transcribed Text] In reply to the question as to whether the visit by Uladzimir Zamyatalin, chief of the Public and Political Information Board at the Presidential Administration, to Iraq was agreed about through diplomatic channels, Belarusian Foreign Minister Uladzimir Syanko said at the 19-October briefing that this visit was an absolute surprise to him. Before this briefing, the Belarusian foreign minister never heard of a trip by Mr. Zamyatalin to Iraq as a special envoy of the president, all the more of his meeting with Saddam Husayn.

Information about Zamyatalin's visit to Iraq was spread by Western sources which referred to the Iraqi information agency. On 19 October, BELAPAN obtained indirect confirmation at the Public and Political Information Board of the fact that Zamyatalin is staying in Baghdad. Employees at the Zamyatalin office refused to name the objective of this visit. According to a source closely connected with the president, Mr. Zamyatalin will return to Minsk on the evening of 20 October.

Syarhey Navumchyk, Belarusian Popular Front [BNF] press-secretary, confirmed at the 19-October press conference that according to the Iraqi news agency, Zamyatalin visited Iraq as a special envoy of President Lukashenka. During a personal meeting with Saddam Husayn he congratulated the latter upon his victory in the referendum. The Iraqi party expressed desire to put cooperation between Iraq and the CIS countries at the level of Soviet times. Voicing the BNF viewpoint, Mr. Navumchyk pointed out that "such cooperation with the country on which international sanctions were imposed will lead to the further isolation of Belarus."

Emergence of Japanese Ties Described

MM1810133195 Moscow IZVESTIYA in Russian 17 Oct 95 p 3

[Report by Sergey Agafonov: "Japanese Prepared To Acknowledge Belarusians' Ability To Work, But in No Hurry To Invest and Engage in Bilateral Projects"]

[FBIS Translated Text] Tokyo — Belarusian diplomacy's debut in Japan is a tremendous hit with reporters writing on CIS topics. Sergey Sayenko is already being asked for his autograph in the street not only by Japanese schoolchildren but also by women of a certain age captivated by the mighty figure of a weight lifter with a large, semibald head and kind eyes. They are very warm toward him in the strait-laced Japanese Foreign Ministry and even warmer at the Russian Embassy, where he is no debutant, but a modest diplomat whom everyone knows, who has risen top the rank of "your excellency" in the past three years. Having gone back to his native Union as an ordinary diplomat following a tour of duty in Japan, he returned to the Japanese capital as Belarusian charge d'affaires in Japan.

If Japanese affairs rapidly rise in stature in sovereign Belarus in the very near future it will be 50 percent due to the charge d'affaires. But they are not rising rapidly in stature at the moment and we are sitting together on neutral territory — the IZVESTIYA correspondents' center — since there is no Belarusian territory, in the form of the sovereign country's embassy in Tokyo, at the moment. We are unhurriedly drinking Slavonic national drinks and sorting out the key problems which stand in the way of the Japanese-Belarusian diplomatic pinnacles.

In fact, there are not many of these problems; three, to be exact. The first is to find an inexpensive building for the office, which is extremely difficult in Tokyo, where everything is fiendishly expensive (real estate above all). The second is to overcome the "exotic complex" which the Japanese suffer from in relation to Belarus and demonstrate through painstaking work that in the historic homeland of the Belovezhskaya Forest you will not only find the famous steam bath following a visit to which one existing and two former leaders broke up the Soviet Union but also very real life in all its varieties. The third problem is one of filling the relations that exist on paper with various contacts, links, and, preferably, Japanese money in the form of investments in the Belarusian economy.

Various painted details and blobs have already appeared on this landscape of problems. Paramount among the promising details is the fact that the Japanese launched in Belarus a compressor manufacturing plant which, to the surprise of the Japanese, started to produce high-class products. The Japanese immediately (what you might call a suspicion as yet) thought that Belarus, cut off, as it is, from the sea and lacking an abundance of raw materials, has qualities untypical of the Soviet past — there they know how to work well and produce not raw material but finished products of the necessary quality. Much, much more needs to be done for this thought to develop into certainty. But Belarusian pretensions to become a profitable "workshop" on the raw material ruins of the former Union are already on the agenda, and the realization of these pretensions promises to be the paramount task for young Belarusian diplomacy.

Emphasis on Belarus's potential for producing quality products, highly trained and certainly "cheap" personnel, and the existing technological framework — these are the main hopes for the development of economic dialogue with the Japanese. Belarus apparently is already meeting Japanese orders for liquid crystals, without which there would be no computer monitors and no electronics in general today. With an enigmatic smile the charge d'affaires said that these are not the only Belarusian export goods. So if a bilateral committee on economic cooperation is formed he will not be short of work.

A committee has not been formed, though, and there is no ardent Japanese desire to make one, but this, Sergey Sayenko believes, is a temporary phenomenon, due mainly to the fact that the Japanese, on the one hand, have become utterly lazy over the years of prosperity, and, on the other hand, do not yet see Belarus as a reliable and profitable destination for capital and projects.

It would be wonderful, of course, if Belarus were to be deemed a developing country, as was done in the case of Japanese aid in relation to the Central Asian republics. But Minsk has obvious difficulties with this honorable status, giving access in the countries of the "seven" to major government-funded credit lines for development needs — despite the obvious poverty, it cannot make the requisite category.

When it came to politics the conversation with the charge d'affaires was brief — given that diplomatic relations with Japan are virgin territory there are no political problems in them, thank heavens, and none are set to appear. Anyway, Belarus is in a good position in that sense — there was, it is true, the odd tension with the Baltic countries (mainly over the border), but there have been no other serious difficulties so far. In Asia the leading partner at the moment is China, and good groundwork has been laid in relations with Vietnam. The number one partner in Europe is Germany.

As was noted in the conversation with IZVESTIYA, work is in progress at the moment on preparing for the visit to Japan by the Republic of Belarus foreign minister. It will be the first visit at such a high level in the three-year history of Japanese-Belarusian bilateral relations, and there is no doubt that it will open up new prospects for their development. The date of the visit is being agreed through diplomatic channels. Diplomatic channels are linking the date to the search for premises for the Belarusian Embassy in Tokyo.

If this problem is solved the growth of the volume of bilateral links and contacts will be unstoppable....

Moldova

Snegur To Support Reforms to UN Security Council

LD1910213395 Moscow INTERFAX in English 1724 GMT 19 Oct 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] In his speech at the jubilee session of the United Nations in New York President

Mircea Snegur intends to support proposals to reform the U.N. security Council and Secretariat, the Moldovan leader told Interfax Thursday [19 October].

In Snegur's opinion the world community has realized the need to consolidate international law and develop a new world law order. He finds it useful to deepen a number of legal concepts, such as the sovereignty of government. On the whole the improvement of international law should help form an appropriate foundation for entering the 21st century and find a constructive way out of explosive situations in different parts of the globe.

Speaking of the relationship with the United Nations Snegur praised the support of the world community for his country which greatly facilitates the transition to a market economy in Moldova as well as promotes peace and stability.

Yeltsin Awards Arrested Policemen for Bravery

AU1910143695 Chisinau BASAPRESS in English 1930 GMT 18 Oct 95

[FBIS Transcribed Text] Chisinau 18/10/1995 (BASApress) — Two sergeants in the former 14th Army, Ivan Josan and Vitali Landyrev, citizens of Moldova, were granted "The Award of Bravery" through a recent decree by the Russian President Boris Yeltsin, Tiraspol sources told BASA.

The same award was granted post-mortem to Igor Golikov, sergeant in the 14th Army. According to the decree, the awards are to be handed by General Valeriy Yevnevich, commander of the Russian troops mobile group. The decree was issued September 20, 1995.

Earlier Josan and Landyrev, transferred to the Moldovan police commissariat in Tighina, were arrested September 20 by the Dniester authorities. They were charged with "espionage for Moldova and serious crimes when employed by Tiraspol police."

Moscow reliable sources confirmed that Yeltsin issued the decree No.952 on granting awards. This decree was also mentioned in the Russian TV program "Top Secret," that the awards were granted for "bravery and heroism displayed in the fight with the most dangerous criminals." This decree was recommended by Aleksandr Lebed in the summer of 1995 when he was still commander of the Russian 14th Army.

Armenia

Cooperation With Syria Said 'Developing' in All Fields

NC1910220395 Yerevan NOYAN TAPAN in English 1429 GMT 19 Oct 95

[FBIS Transcribed Text] NOYAN TAPAN 19/10/95 — As was reported before, a Syrian delegation headed by Deputy Foreign Minister of Syria Raslan al-'Ayushi [name as received] is currently visiting Armenia in a bid to hold political consultations here. According to Armenian Charge d'Affairs to Syria Davit Hovhannesyan, this is the first visit by Syrian top political delegation to CIS.

Hovhannesyan stressed that Armenian-Syrian cooperation is developing in all possible fields, including politics. He said that during this year there has been 15-20 mutual visits to Syria and Armenia, and a part of them were visits by top officials from the two countries. In particular, Armenian Prime Minister Grant Bagratyan, Minister of Education of Armenia, Minister of Transport and Minister of Food and Agriculture have visited Syria this year. As a result of these visits multiple documents on cooperation in the fields of culture, information and tourism have been signed.

As an evidence of good development of Armenian-Syrian relations Hovhannesyan cited the fact that on October 15 President of Syria Hafiz al-Asad received Armenian Charge d'Affairs to Syria. According to Hovhannesyan, this is the first instance, when Syrian President receives foreign diplomat of such rank.

'Changes of Cadres' in Karabakh Announced

NC1910164095 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0927 GMT 18 Oct 95

[FBIS Transcribed Text] Yerevan ("Lragir" daily) 10/18/95 — RMK [Republic of Mountainous Karabakh] Prime Minister Leonard Petrosyan held a regular meeting of the government on 17 October. Several decisions were accepted, and economic changes in Karabakh discussed.

Government session established new changes of cadres. Mr. Benik Babayan was assigned as Deputy Minister of Economy and Finances, head of the Economy Department. Mr. Tatul Baghramyan was assigned as First Deputy Minister of Interior. Mr. Sergey Avanesyan was assigned as Deputy Minister of Industry, head of the department of finance, economy, and special programs. Mr. Eduard Barseghyan was assigned as First Deputy Minister of Agriculture. Mr. Rafayel Sarukhanyan was released from this position and reassigned as the head of a scientific-research group in the "Karabakh" scientific-industrial enterprise.

Head of the State Commission on Departed People and refugees Lenston Gulyan reported that 142 departed families (508 people) returned and settled in Karabakh this year. 8.9mln drams credits were allocated to help these people, 762,400 drams were provided as humanitarian aid. 98 apartments, total worth 27mln drams, have been restored by 1 October.

Azerbaijan

Aide: Draft Constitution Provides for Presidential Republic

LD1910215495 Moscow INTERFAX in English 1907 GMT 19 Oct 95

[FBIS Transcribed Text] BAKU, Oct 19 (Interfax) — Under the new draft constitution Azerbaijan will be a presidential republic, head of the legal division of the Azerbaijani president's apparatus Shakhin Aliyev told a press conference in Baku today.

"The president will have full executive power," Shakhin Aliyev said.

Shakhin Aliyev is one of the authors of the new draft constitution recently published in the media. He said the key principles of the draft had been "borrowed from the constitutions of the world's leading democratic states, including the U.S. constitution."

Shakhin Aliyev said the prime minister "will mainly just chair the sessions of the cabinet of ministers and direct its activities."

With regards to the status of the Nakhichevan Autonomous Republic as an autonomous state in Azerbaijan, Shakhin Aliyev said such a status did not run counter to the unitary state system of Azerbaijan. He said Azerbaijan had not concluded a federative treaty with Nakhichevan. "Baku determines the status of the Nakhichevan Autonomous Republic," Shakhin Aliyev said.

Official Comments on New Constitution, Nagorno-Karabakh

NC2010083195 Baku TURAN in English 1352 GMT 19 Oct 95

[FBIS Transcribed Text] BAKU 19/10/95 TURAN—According to Shahin Aliyev, the Head of the Legal Department in the Office of the President, according to the draft of the New Constitution the whole right of the executive power in the country will belong to the president — that means, that Azerbaijan will be considered the presidential republic, he stated at today's press-conference devoted to the draft of the new

Constitution published in the press, held in the Office of the President today.

Shahin Aliyev, one of the authors of that draft noted that the president has right to conduct only sessions of the Cabinet and to run the activity of the government in the presidential republics. According to him, the provision that the Azeri language is considered the state language was taken from the constitution of 1978.

Concerning the status of the Nakhichevan Autonomous [Republic] entering the republic of Azerbaijan he said that this provision did not run counter the provision on the unitarity of the republic of Azerbaijan. "Azerbaijan has not a federative agreement with Nakhichevan Autonomous Republic. The status of Nakhichevan is determined by Azerbaijan," he noted. According to him, the status of Nakhichevan Autonomous Republic in the draft of the new Constitution does not differ from its status in the present constitution.

Expressing his personal opinion, Shahin Aliyev notes that if the Armenians of Nagorno-Karabakh agree to liberate Lachin and Shusha instead [in return for] the status of the autonomous republic of Nagorno-Karabakh, it would be a great achievement.

Commenting on the provision on inviolability of the members of the Cabinet Shahin Aliyev said that the present situation cannot be considered normal as any minister, even the Prime Minister can be arrested by law enforcement bodies at any time.

Georgia

Shevardnadze Cancels Visit to U.S.

LD2010103795 Moscow ITAR-TASS in English
1007 GMT 19 Oct 95

[By Tengiz Pachkoria]

[FBIS Transcribed Text] TBILISI, October 20 (Itar-Tass) — Georgian leader Eduard Shevardnadze has canceled his official visit to the U.S., official reliable sources have told Itar-Tass.

Shevardnadze and a Georgian State delegation were to leave for the U.S., for New York on October 21 to attend the 50th jubilee session of the U.N. and was to meet with President Bill Clinton in Washington on October 24.

On Friday night, Shevardnadze is to hold a press conference here for foreign and Georgian journalists and is expected to give reasons for the cancellation of his visit to the U.S., a spokesman at the Press Centre of the Georgian Head of State has told Itar-Tass earlier in the day.

German Bank To Finance Improvements to Power System

LD1910173595 Tbilisi IPRINDA in Russian
1130 GMT 19 Oct 95

[FBIS Translated Text] Tbilisi, 19 Oct — An agency correspondent has been told at the Sakenergo [Georgian power] Department that on 18 October Davit Zubitashvili, chairman of the Sakenergo Department, and Klaus Glaubidt, a representative of the German credit bank of Frankfurt, signed two memorandums. The first one provides for allocating 20 million German marks for improving the Georgian power system. The second memorandum also provides for allocating funds for restoring the 10th generating unit at the Tbilsresi [Tbilisi rayon power station]. Both of the credits will be given for a period of 40 years.

According to the representative of the credit bank, the German bank demands that the power and engineering policy be reinforced in Georgia, which would mean cutting off power supplies to those who do not pay for it, otherwise, according to the German guest, a complete catastrophe for the Georgian power system is inevitable.

Problems Arise in Paying Russian Military in Laris

LD1910181395 Tbilisi IPRINDA in Russian
1400 GMT 19 Oct 95

[FBIS Translated Text] Tbilisi, 19 Oct — An agency correspondent has learned from reliable sources that there have been certain difficulties in releasing payments in laris [Georgian national currency] to the Russian military deployed in Georgia. In connection with this, Georgian Deputy Prime Minister Teimuraz Basilia met Russian Ambassador to Georgia Vladimir Zemskiy several times. The latter promised to clarify the matter to the deputy prime minister.

According to Georgian National Bank President Nodar Javakhishvili, the Russian Central Bank is doing everything possible in order to put off negotiations on the matter with the Georgian National Bank. In the meantime, the Russian Embassy refuses to accept large-denomination Russian ruble notes under the pretext that there are not enough cashiers at the embassy. "The Russian side has not refused specifically yet but it looks as if it will," said Javakhishvili.

According to First Deputy Foreign Minister Mikheil Ukleba, one way of overcoming the problem is to send a protest note to the Russian Foreign Ministry, after which we shall be able to demand lawfully that the Russian Embassy exchange the currency.

Tbilisi Public Urges Yeltsin To Act Against Giorgadze

LD1910162795 Tbilisi CONTACT INFORMATION AGENCY in Georgian 1145 GMT 19 Oct 95

[FBIS Translated Text] Tbilisi [no date as received] — The Tbilisi public has held a meeting in the capital. They have sent an address to Boris Yeltsin, president of the Russian Federation, in which they expressed their alarm over the fact that an immediate participant of the terrorist act of 29 August, Igor Giorgadze, the former chief of the security service, was in Moscow with the help of high-ranking Russian officials and was carrying out an unseen slanderous campaign through the mass media. This is happening, the address goes on to say, at a time when Georgia is facing historic elections.

Information about masterminding another terrorist act against the head of state, Eduard Shevardnadze, has been constantly circulated recently. This, the address says, is natural, as the main terrorist has not been detained yet. Moreover, he is openly enjoying the support and protection of Russia's influential circules.

The hope is expressed in the address that Boris Yeltsin's direct interference in this matter will clarify every misunderstanding and will, once more, prove Russia's readiness to establish friendly relations between the two countries.

Communist Leader Threatens Trial for Shevardnadze

LD1910144395 Moscow INTERFAX in English 1104 GMT 19 Oct 95

[FBIS Transcribed Text] TBILISI, Oct 19 (Interfax) — Panteleimon Giorgadze, the leader of the United Communist Party of Georgia, said that if he wins the November 5 presidential election, he will put the present leader of the country, Eduard Shevardnadze, on trial.

Giorgadze went on national television to say that Shevardnadze is guilty of the war in Abkhazia, a Georgian internal republic, and its consequences.

Another opposition candidate, Akaky Bakradze, said in his TV address that unlike Chechnya which was captured by Russia in a war, Abkhazia has always been part of Georgia and Georgians have lived there since time immemorial.

Bakradze believed that the situation in Chechnya is not favorable for Russia and Chechens will soon win their war of independence.

Bakradze, 67, was nominated by the Ilya Chavchavadze Society (named after a famous Georgian writer). His candidacy was supported by 64,000 signatures. Bakradze opposed Georgia joining the CIS. He shares radical rightist views on numerous issues.

Local observers note that Shevardnadze has not spoken on radio or television in a race with five other presidential candidates.

Working Group To Assist Foreign Observers During Elections

LD1910152995 Tbilisi CONTACT INFORMATION AGENCY in Georgian 1145 GMT 19 Oct 95

[FBIS Translated Text] Tbilisi [no date as received] — Georgian head of state Eduard Shevardnadze has issued an edict on measures to assist activities of foreign observers during the presidential and parliamentary elections, to be held on 5 November 1995.

The edict says that the presidential and parliamentary elections of 5 November 1995, is of great interest for political and nongovernmental circles of foreign countries. Many foreign political and social activists, as well as public organizations and the mass media, have expressed the wish to send their observers to the elections. This calls for carrying out the relevant work so that during the elections all observers have a possibility to receive the necessary information, familiarize themselves with the election procedure and the process of elections.

Proceeding from the above, a working group, to assist foreign observers in their activities during the presidential and parliamentary elections of 5 November 1995, has been set up.

The head of the group is the Georgian Deputy Prime Minister Irakli Menagharishvili.

Latvia

Birkavs: No Need For Emergency Steps on Russian Threat

LD1910174995 Moscow INTERFAX in English 1401 GMT 19 Oct 95

[FBIS Transcribed Text] RIGA, Oct 19 (Interfax) — There is no need to take emergency steps in answer to Russia's threat to invade the Baltic countries if they are admitted to NATO. This conclusion was made by Latvia's Foreign Minister Valdis Birkavs and the political affairs adviser to the NATO Secretary General Gebhard von Moltke during their consultations in Riga.

Addressing newsmen after their talks Wednesday evening, they said emergency steps in the form of consultations with NATO envisaged in the final document of the Partnership For Peace program. Their mechanism has not been worked out yet, but there is no need to use overreact, Birkavs said in this connection.

Earlier, in an interview with Interfax's correspondent, Birkavs said: Latvia will resort to consultations with NATO, if Russia reiterates its threats and simultaneously begins to concentrate its troops in direct proximity to Latvia's frontier.

A delegation of NATO experts led by Gebhard von Moltke is touring countries involved in the Partnership For Peace program for the purpose of writing a report on the political situation there. The report will be included in the final document on the possibility of NATO expansion to be discussed in Brussels on December 20 during a conference between NATO countries' foreign ministers.

As von Moltke told the news conference, the NATO leaders' attitude as to what countries can be admitted to the organization and when, will not be made public until the final document is adopted. The North-Atlantic Treaty Organization is not directed against any country, and Russia must not view its expansion as a threat to its interests, he pointed out once again.

On Thursday von Moltke is leaving Riga for the capital of Belarus Minsk.

Swedes Say Latvian Corruption Barrier to Investment

LD1910140395 Riga Radio Riga Network in Latvian 1000 GMT 19 Oct 95

[FBIS Translated Excerpt] After a three-day state visit to Sweden, State President Guntis Ulmanis returned to Riga last night. The president briefly described the results of the visit at a news conference which was held at the airport. Guntis Ulmanis stressed that a new step was made on the way to the European Union. On the other hand, the president was reproached for poorly-coordinated legislation which affects the borders and the work of the customs. However, Sweden showed understanding on the issue of refugees because this is a problem to be tackled jointly. Sweden undertook to grant financial aid for this purpose — putting the border in order and the construction of a special internment camp. The president commended the Swedish royal house's understanding in helping Latvia's orphanages. [passage omitted]

[Begin Ulmanis recording] During the visit, I received full support from both the Swedish Government and businessmen. We visited the biggest enterprises, Volvo and Modo. The Swedes say: We are ready to give and to come with our investment, but you are not able to receive it. I would like to stress this idea. We often whimper and say that we want, we are waiting, we are inviting — but can we receive it; can we prove this or can we draft our legislation and our system of taxation so that this business would be able to come to Latvia and to come with sure confidence?

I will not make a secret of the fact that during some meetings representatives of the Swedish Government and businessmen expressed doubt as to whether we are fighting corruption seriously enough; they expressed doubts about the reduction of the level of crime and whether our system of taxation answers the interests of both sides so that Latvia would be interested in business coming to it. [as heard]

One small unpleasant issue is the transport or shipping line Norrkoping-Riga. If we are right in this conflict, then, unfortunately, we have failed to prove our rightness. And Sweden considers that we are not very correct in observing agreements and fulfilling contractual obligations.

The internal political situation in Sweden and in Latvia was not the most favorable for this visit. But, well, the time of the visit had been fixed a year in advance. The visit took place and took place with, I would say, great responsiveness and interest. [end recording]

Lithuania

German Bundeswehr IG on Russian 'Threats,' NATO

WS1910141595 Tallinn BNS in English 1109 GMT 19 Oct 95

[FBIS Transcribed Text] Vilnius, Oct 19, BNS — Lithuania should not allow itself to be intimidated by Moscow's statements on NATO's expansion plans, since this organization and Western governments only have the goal of making Europe secure and stable.

This was the position expressed by Klaus Naumann, inspector general of the German Bundeswehr, at a press conference in Vilnius on Wednesday.

Russian threats, he said, had never ceased over the course of more than fifty years. This, however, had not prevented the collapse of the entire communist system.

Speaking on the possible expansion of NATO, Naumann stressed that this issue was a matter for politicians. However, he said, both NATO and the West were seeking first and foremost guarantees for the security and stability of Europe, and for this reason they felt themselves responsible for the Baltic countries as well.

The general promised that Germany would continue to support Lithuania's armed forces, devoting special attention to training personnel. Next year, he said, at least 15 cadets from the Lithuanian military academy would be invited to study in Germany, after which they themselves could train Lithuanian troops.

Naumann met Wednesday with Lithuanian president Algirdas Brazauskas, MPs from the parliamentary committee on national security, commanders of the armed forces and defense minister Linas Linkevicius.

Foreign Ministry Demands Latvian Explanation of Oil Reports

LD1910225795 Riga Radio Riga Network in Latvian 2200 GMT 19 Oct 95

[FBIS Translated Text] The Lithuanian Foreign Ministry has presented a note to Latvia demanding an explanation of reports that the Latvian Government is still planning to exploit the oil deposits in a disputed area of the Baltic Sea. A senior Lithuanian Government official said that, if the reports are true, then they do not correspond to the proposal by the foreign ministers that neither of the countries would undertake any activities until the disputed area is demarcated, as such activities may hamper the resolution of the dispute. The Lithuanian Government representative also said that Lithuania is more and more alarmed by Latvia's position on some issues, which do not correspond with efforts to create an atmosphere of solidarity and cooperation in the Baltic countries. The official mentioned Latvia's proposal made this week to join the EU, calling it an (?instance) of political competitiveness.

IMF Credit Agreements Worth $421.5 Million

LD1910145095 Moscow INTERFAX in English 1104 GMT 19 Oct 95

[FBIS Transcribed Text] VILNIUS, Oct 19 (FIA-Interfax) — The International Monetary Fund, Lithuania's largest creditor, is determined to support the economic reform in Lithuania, the IMF's new representative in Vilnius Domenico Fanizza told a press conference in Vilnius Wednesday.

He said that since October 1994, the IMF had extended Lithuania more than $200 million. By July 1, 1995, Lithuania and the IMF had concluded credit agreements worth a total of $421.5 million which accounts for 46 percent of the total volume of credits given to Lithuania.

Fanizza also said that the IMF will give priority to Lithuania's banking system, power engineering, agriculture and denationalization of property. Specific agreements are likely to be concluded after an IMF mission arrives in Lithuania at the end of October or at the beginning of November.

Lithuania has managed to stabilize its economic situation, lowering the rate of inflation to 30 percent in a short time (from 1,160% in 1992, to 188.7% in 1993 and to 45.1% in 1994), said Fanizza. It has also checked the rate of decrease in the gross domestic product which stood at 23.4 percent in 1993. In 1994 the gross domestic product increased by 0.6 percent and in 1995 is expected to grow by 5 percent.

The Bank of Lithuania's hard currency reserve increased to $713.2 million by the beginning of September, which, taking general stabilization into account, helps ensure the stability of the national monetary unit, the litas.

U.S. Eximbank To Initiate Long-Term Loans for Lithuania

MM1910133395 Moscow FINANSOVYYE IZVESTIYA in Russian 19 Oct 95 p 3

[AFI report: "U.S. Eximbank To Grant Lithuania Long-Term Loans"]

[FBIS Translated Text] The U.S. Eximbank will for the first time be granting Lithuania long-term loans, Lithuanian Finance Minister Reinoldijus Sarkinas has stated in Vilnius. The signed document does not specify the timetable or the sums involved. These will be determined for each investment project separately.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.